

**Board of Commissioners**  
Chair Rob Putaansuu  
Vice Chair Danielle Murphy  
Becky Erickson  
Charlotte Garrido  
Robert Gelder  
Kol Medina  
Ed Wolfe

**Executive Director**  
Stuart Grogan



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<http://www.housingkitsap.org>

## **HOUSING KITSAP BOARD OF COMMISSIONERS**

### **MEETING AGENDA**

**June 26, 2018**

**9:00 am - 11:00 am**

**Housing Kitsap, 2244 Bucklin Hill Rd., Silverdale WA 98383**

- 1. Call to Order**
- 2. Public Comment** (Please limit comments to 3 minutes)
- 3. Consent Agenda**

All matters listed within the Consent Agenda have been distributed to each member of the Housing Kitsap Board of Commissioners for reading and study, are considered routine, and will be enacted by one motion of the Board with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

- A. Meeting minutes May 22, 2018.
- B. Special meeting minutes from June 6, 2018
- C. Disbursements/Fund Transfers

**Page 3**

**Page 8**

**Page 10**

- 4. Board Announcements**
- 5. Community Updates**

This is an opportunity for Board members to share any community items, news, conference updates, or program updates that are not otherwise scheduled for discussion during the Board meeting.

- A. Port Orchard Homelessness Committee
- B. Poulsbo Housing Group
- C. Homes For All Committee
- D. Kingston Housing Group
- E. Affordable Housing Task Force, Bainbridge Island

( **Chair Putaansuu**)  
(**Commissioner Erickson**)  
(**Commissioner Garrido**)  
(**Commissioner Gelder**)  
(**Commissioner Medina/Stuart Grogan**)

## **6. Action Items**

- A. Review and discussion of financials, Housing Kitsap (HK) cash projections, and software implementation. ( Wendy Dutenhoeffer) Page 28**
- B. Consideration of a motion to authorize the Board Chair and the Executive Director to sign a letter to the State Auditor's Office. (Stuart Grogan) Page 29**
- C. Consideration of a motion to approve accepting the terms offered by National Loan Acquisitions Company. (Wendy Dutenhoeffer) Page 35**
- D. Consideration of a motion to request the County Commissioners permit the use of Harborside reserve funds. ( Stuart Grogan) Page 43**
- E. Consideration of a motion to approve dissolution of Liberty Bay and Dye's Golden Tides III Limited Partnerships. (Stuart Grogan) Page 51**
- F. Consideration for a motion to authorize the Executive Director to execute and agreement for the construction of lots at Sherman Ridge with Port Madison Enterprises. (Dean Nail) Page 53**
- G. Consideration of a motion to authorize the Executive Director to execute loan documents with the Rural Community Assistance Corporation (REAC) for the construction of lots at Sherman Ridge. (Dean Nail) Page 54**

## **7. Board questions and discussion regarding the following Program Updates:**

- A. Executive Director (Stuart Grogan) Page 55**
- B. Business & Technology Resources (Wendy Dutenhoeffer) Page 60**
- C. Single Family/Self-Help (Dean Nail) Page 64**
- D. Development (Stuart Grogan) Page 68**
- E. Real Estate Management and Housing Program (REMHP) (Holly Paterson) Page 70**

## **8. For the good of the order**

## **9. Adjourn**



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 3.A.

**AGENDA ITEM:** CONSIDERATION OF A MOTION TO APPROVE THE CONSENT AGENDA.

**SUBMITTED BY:** Tara Owensby

**TITLE:** Executive Assistant

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:**

05.22.18 Board minutes; 06.26.18 Special Board minutes; April Disbursements/Fund Transfers.

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**STRATEGIC PLAN LINK:** NA

**FISCAL IMPACT:** None

**RECOMMENDATION:** Approval of Consent Agenda.

**SUMMARY STATEMENT:**

See attachments.

**RECOMMENDED ACTION:**

Motion to approve Consent Agenda.

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**HOUSING KITSAP BOARD OF COMMISSIONERS**  
**WORK STUDY**  
**MAY 22, 2018**  
**MINUTES**

**Board in Attendance:** Mayor of City of Port Orchard Rob Putaansuu (Chair), Resident Commissioner Danielle Murphy (Vice Chair), Mayor of City of Poulsbo Becky Erickson, Kitsap County Commissioner Charlotte Garrido, Kitsap County Commissioner Rob Gelder, City of Bainbridge Island Council Member Kol Medina, Kitsap County Commissioner Ed Wolfe.

**Attending Staff:** Executive Director Stuart Grogan, Chief Financial Officer Wendy Dutenhoeffer, Director of Single Family Housing Dean Nail, Director of REMHP Holly Paterson, Lisa Glaesser Finance Project Manager, Executive Assistant Tara Owensby.

**Public in attendance:** Craig Seibold, Cathy Bonsell, Linda McHenry.

**1. Call to Order:**

Chair Putaansuu called the meeting to order at approximately 9:00 a.m.

**2. Public Comment:**

No public comment.

**3. Review of the Proposed Agenda:**

No comment.

**4. Consent Agenda:**

Commissioner Erickson moved to approve the Consent Agenda. Commissioner Gelder seconded. Motion carried unanimously.

**5. Action Items:**

**A. Consideration of a motion to approve Resolution 2018-05 authorizing the Chairperson of the Board of Commissioners to sign the Annual Civil Rights Certification.**

Holly reported that this certification is to be signed every year, it states that Housing Kitsap will not discriminate or do anything against the fair housing act, or the 504 act and referenced the date at the top of the document is not current, she that HUD has not updated the form to reflect the current year. Commissioner Erickson asked if this is the same document that the Board is requested to approve in August annually. Holly informed Commissioner Erickson that the document she referred to is the SEMAP document for Section 8 that staff will bring to the Board for Consideration in August.



*Action: Commissioner Garrido moved to approve Resolution 2018-05 authorizing the Chairperson of the Board of Commissioners to sign the Annual Civil Rights Certification. Commissioner Murphy seconded. Motion carried unanimously.*

**B. Consideration of a motion to approve Resolution 2018-06 authorizing the exit of Liberty Bay Associates Limited Partnership.**

Stuart announced that HK is at the end of the partnership that Lisa Glaeser, HK's Finance Project Manager has been working closely with Enterprise Community Partners to exit the partnership. The negotiations have concluded and HK anticipates a final exit date of June 30, 2018.

*Action: Commissioner Erickson moved to approve Resolution 2018-06 authorizing the exit of Liberty Bay Associates Limited Partnership. Commissioner Wolfe seconded. Motion carried unanimously.*

**6. Community Updates**

Commissioner Erickson reported that the Poulsbo Housing Group circulated a draft proposal called Christ Cabins amongst 5 parishes in Poulsbo with positive responses from three, and will meet next week to discuss specifics of the program.

Commissioner Erickson announced that she reached out to David Smith regarding several adjoined parcels of land, one owned by the Housing Authority the other owned by the City of Poulsbo. The combination of the parcels total almost 14 acres of land and are located in the City of Poulsbo. Commissioner Erickson said there is a possibility for a combination of a Self-Help project and the creation of a Boarding house. She reported that this is in the preliminary stage, that it has not gone to the City Council for approval, that the City Council previously tasked her to sell city properties. She said that she has sold two properties in the past, that this would be the third.

Commissioner Garrido reported that locating property for tiny houses has been a long process. The Church of Christ has committed to study the issue that they will take the month of June to pray about it. She mentioned that they received three donated mobile units and as soon as property is located and more details confirmed, they will move forward.

Commissioner Gelder reported that the last Kingston Housing Group meeting was canceled. The Suquamish Tribe provided the Kingston Group with a set of maps and transparencies. Stuart reported that the group received an update regarding a home share program.

Stuart reported that he has been working with the Affordable Housing Task Force on Bainbridge Island for the last six months with about six weeks left with the overall process and said they been discussing several topics such as Live aboard, expanding the number of anchors in the marina, short term housing, inclusionary housing, tiny houses, and many other topics. All of the research is due in report form to the City Council in June.

**7. Board questions and discussion regarding the following program updates:**

**A. Executive Director**

Stuart outlined the purposed plan for the North property tour. Commissioner Erickson requested HK to plan to visit Klingel property during the tour.

Stuart referred to page 58 in the Board packet and reported that he and staff have been busy preparing and planning for the IRS audit of 2007 Bond for Kitsap Apartments.

Stuart introduced HK 4.0: A Journey on High Kick Highway, an idea that senior team came up with that was established after the Executive team finished training with Mike Nash, an organizational management consultant who talks about communication, office morale, team building, and building a culture. The HK senior team took what was learned in the training to establish a new set of norms and operating principles for the agency.

Commissioner Medina inquired of the status of Suzuki. Stuart reported that HK is not the lead on the project that our partner is the Development Project Manager, to check with him regarding a status update. Commissioner Erickson mentioned that there is a great need for low-income housing in Kitsap County.

**B. Business & Technology Resources**

Wendy reported that Holly and her team has imputed six properties into Boston Post and there is another phone meeting scheduled. She reported that it is exciting to move forward to a software program that should work well for all aspects of the organization. Holly reported that the properties will be entered into the new software six properties at a time for efficiency and “go live” with six at a time.

Commissioner Wolfe inquired of the last time a financial report was submitted to the Board. Wendy reported that the last financial report submitted was in August 2017. HK anticipates financial reports available by May 31, 2017.

Commissioner Medina inquired of the budget, and confirmed with Wendy that next month the budget will be brought to the Board for approval.

Commissioner Erickson asked what the status of HK’s cash flow is. Wendy reported that HK staff is working to calculate the accurate cash flow amount for HK and the ledger should be available for her review by the end of the day. That HK has roughly 4.3 million dollars in the bank, a ballpark amount of 1.3 million is unrestricted funds. Commissioner Medina thanked Wendy and her finance team for working so hard.

**C. Single Family/Self-Help**

Dean reported that Lola Meadows had a great open house celebration, that Joe Guseman did a great job, and that he cleaned up many loose ends and got the job done.

**D. Development**

Stuart added to the update that HK has scheduled to meet with the residents to discuss the impact RAD will have.

**E. Real Estate Management and Housing Program (REMHP)**

Holly reported that the REAC inspection final report would be received soon. HK will release the storage unit that is in HKs possession on Bainbridge Island this week. Holly announced that Laura Daley accepted a position at another organization, that her departure is a big loss for the REMHP department and Housing Kitsap.

**8. Executive Session**

Chair Putaansuu stated the discussion would take 15 minutes and adjourned the meeting into Executive Session to discuss a Personnel Issue (RCW 42.30.110 (g)) at 9:55 am. At approximately 10:13 am, Chair Putaansuu extended the Executive Session 15 minutes. At approximately 10:28 am, Chair Putaansuu extended the Executive Session 15 minutes. At approximately 10:39 am, Chair Putaansuu adjourned the Executive Session and returned to the regular session. Chair Putaansuu called for a special meeting on June 6, 2018 at 3:15 p.m. at the Norm Dicks Government Center Building in the meeting chambers.

**9. Adjournment:**

*The Board of Commissioners Work Study meeting adjourned at approximately 10:40 a.m.*

**ATTEST:**

**ATTEST:**

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STUART GROGAN  
Executive Director

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TARA OWENSBY  
Executive Assistant

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Date Approved

**Board of Commissioners**  
Chair Rob Putaansuu  
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**HOUSING KITSAP BOARD OF COMMISSIONERS**  
**JUNE 5, 2018**  
**MINUTES**

**Board in Attendance:** Mayor of City of Port Orchard Rob Putaansuu (Chair), Mayor of City of Poulsbo Becky Erickson, Kitsap County Commissioner Charlotte Garrido, Kitsap County Commissioner Robert Gelder, City of Bainbridge Island Council Member Kol Medina, Kitsap County Commissioner Ed Wolfe.

**Attending Staff:** Executive Director Stuart Grogan, Executive Assistant Tara Owensby.

**Absent:** Resident Commissioner Danielle Murphy (Vice Chair)

**Public:** Cathy Bonsell, Kim Seibold, Craig Seibold, Elaine Chadwick, Doug Chadwick, Linda McHenry,

**1. Called to Order**

*Chair Putaansuu called the meeting to order at 3:15 PM.*

**2. Public Comment**

No public comment.

**3. Approval of Agenda**

*Agenda was approved by consensus.*

**4. Discussion Items**

**A. Update on HK financials**

Stuart announced that although Wendy was part of constructing the memo, he was the principle author and that the entire senior team was involved in putting it together.

Stuart reported that the auditors are back in the office, that they returned for an accountability audit and are almost finished.

Stuart announced that the IRS audited a Bond from 2007 with Kitsap Apartments and reported that provided the requested information and reported that he anticipated hearing from the IRS with questions or comments in the future. He said that overall, the audit went well.

Stuart reported several staff members currently working on the budget and that the budget should be up and running by September 2018.

Stuart referred to page 7 in the packet, and stated that the financial report is not perfect, that it is strong and represents the best information that HK currently has and ties closely to what HK showed in the Board approved budget in February 2018.

Commissioner Medina referred to page three of the packet and asked what year HK refers to as having sufficient cash to meet its obligations, calendar year or fiscal year? Stuart responded, the end of next year December 2019 stating that numbers 1, 2, & 4 will get HK though. Chair Putaansuu reminded the Board that when the Board approved the HK Budget in February 2018, it projected HK to lose 600,000 dollars this year and that HK lacked financial statements due to the software conversion.

Commissioner Erickson mentioned that she has concern regarding the increase in liabilities; HK went from the short-term amount of 3.472 on the balance sheet to 4.75 and stated that that is a big increase. Stuart stated that he would research the increase.

**5. Executive Session**

6. Chair Putaansuu stated the discussion would take 10 minutes and adjourned the meeting into Executive Session to discuss a Personnel Issue (RCW 42.30.110 (g)) at 3:28 pm. At approximately 3:38 pm, Chair Putaansuu extended the Executive Session 5 minutes. At approximately 3:45 pm, Chair Putaansuu adjourned the Executive Session and returned to the regular session.

**7. Adjourn**

*With no further business, Chair Putaansuu adjourned the meeting at approximately 3:45 pm.*

**ATTEST:**

**ATTEST:**

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STUART GROGAN  
Executive Director

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TARA OWENSBY  
Executive Assistant

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Date Approved

**Board of Commissioners**  
 Chair Rob Putaansuu  
 Vice Chair Danielle Murphy  
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To: Housing Kitsap Board of Commissioners  
 From: Stuart Grogan, Executive Director/CEO  
 Subject: Approval of APRIL 2018 Disbursements and/or Fund Transfers  
 Date: June 26, 2018

1. General Fund	CK#121306 Thru #121407+ACH Debits	\$604,990.25
2. Section 8 Fund	Check#23321 & #23322 +ACH Debit	\$210,007.18
3. Self-Help Family A/P	Check#17197 Thru #17229	\$211,407.44
4. Red Barn	Check#102994 Thru #103009	\$19,224.83
5. Dye's Inlet	Check#804751 Thru #804767	\$5,022.78
6. Liberty Bay	Check#905069 Thru #905085	\$9,814.53
7. Heritage Apts	Check#102817 Thru #102849	\$29,186.53
8. Viewmont East Apts	Check#103703 Thru #103738	\$49,527.52
9. Railroad Ave	Check#2693 Thru #2707 + ACH Debit	\$7,952.50
10. Rural Dev. – Projects Fund	Check#3808 Thru #3847 + ACH Debits	\$69,023.34
11. Kitsap Apts – 2006 LP	Check#15516 Thru #15568	\$132,135.40
12. Self Help Grant Fund	Transfer to other account	\$205,055.28
13. PH - Rental Receipts	Transfer to other account	\$75,000.00
14. HK Projects - Rental Fund	Transfer to other account	\$152,000.00

\*No Attachment

**APRIL2018 Summary: \$1,331,631.90 Disbursements + Transfers \$448,715.68 = \$1,780,347.58**

"I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim was a just, due and unpaid obligation against Housing Kitsap, and that I am authorized to authenticate and certify to said claim."

\_\_\_\_\_  
 Stuart Grogan, CEO/Auditing Officer

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Rob Putaansuu, Board Chair

\_\_\_\_\_  
 Date

**HOUSING KITSAP**  
**Transaction Edit Listing Between 04/01/2018 and 04/30/2018**  
Accounting

Bank Account HK - GENERAL FUND

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/24/2018		ACH DR- PNW IRS TAX DEPOSIT	OC		H	1.82	Yes	No
04/09/2018		ACH DR- GTII BOA LOAN PAYMENT	OC		H	1,352.04	Yes	No
04/09/2018		ACH DR- MARCH BANK ANALYSIS FE	OC		H	1,001.35	Yes	No
04/02/2018		ACH DR- WAGE GARNISHMENT	OC		H	150.00	Yes	No
04/02/2018		ACH DR- IRS TAX DEPOSIT	OC		H	35,071.46	Yes	No
04/02/2018		ACH DR- PAYROLL DIRECT DEPOSIT	OC		H	151,409.74	Yes	No
04/02/2018		ACH DR- COLUMBIA BANK	OC		H	234.88	Yes	No
04/02/2018		ACH DR- COLUMBIA BANK	OC		H	2,114.19	Yes	No
04/11/2018		ACH DR- VOYA DEF COMP PAYMENT	OC		H	15,320.53	Yes	No
04/11/2018		ACH DR- WA DRS PAYMENT	OC		H	46,772.20	Yes	No
04/03/2018		ACH DR- PNW INVOICE	OC		H	797.35	Yes	No
04/03/2018		ACH DR- HSA PAYMENT	OC		H	16,845.68	Yes	No
04/16/2018		ACH DR- MID MONTH PAYROLL DRAW	OC		H	40,605.00	Yes	No
04/03/2018		ACH CR- DEPT OF HUMAN SERVICES	OC		H	0.03	Yes	No
04/17/2018		ACH DR- PNW INVOICE	OC		H	114.10	Yes	No
04/02/2018	0000121306	Estate of Robert Chapman	PB		C	750.00	Yes	No
04/02/2018	0000121307	PROJECT - 550 MADISON APTS.	PB		C	325.00	Yes	No
04/02/2018	0000121308	ACCOMTEPS	PB		C	3,029.66	Yes	No
04/02/2018	0000121309	BREMERTON GOVERNMENT CENTER	PB		C	1,120.96	Yes	No
04/02/2018	0000121310	CDW GOVERNMENT	PB		C	159.47	Yes	No
04/02/2018	0000121311	CENTURYLINK COMMUNICATIONS, LLC	PB		C	98.14	Yes	No
04/02/2018	0000121312	CENTURYLINK	PB		C	484.61	Yes	No
04/02/2018	0000121313	CINTAS FIRE 636525	PB		C	125.00	Yes	No
04/02/2018	0000121314	CLEAN-N-ROOTER	PB		C	300.00	Yes	No
04/02/2018	0000121315	DS WATERS OF AMERICA INC.	PB		C	30.00	Yes	No
04/02/2018	0000121316	CSG ADVISORS INCORPORATED	PB		C	8,068.75	Yes	No
04/02/2018	0000121317	FED EX	PB		C	6.14	Yes	No
04/02/2018	0000121318	WEX BANK	PB		C	2,063.20	Yes	No
04/02/2018	0000121319	PROJECT - GOLDEN TIDES II	PB		C	1,125.00	Yes	No
04/02/2018	0000121320	GREENSHIELD HOME &	PB		C	725.00	Yes	No
04/02/2018	0000121321	HARLOW AUTO REPAIR	PB		C	134.66	Yes	No
04/02/2018	0000121322	KITSAP COUNTY PROSECUTING	PB		C	145.20	Yes	No
04/02/2018	0000121323	LIFEMAP ASSURANCE COMPANY	PB		C	2,377.01	Yes	No
04/02/2018	0000121324	PROJECT - MADRONA MANOR	PB		C	1,000.00	Yes	No
04/02/2018	0000121325	METLIFE-GROUP BENEFITS	PB		C	5,559.23	Yes	No
04/02/2018	0000121326	MULTIFAMILY AFFORDABLE PROPERTI	PB		C	88.00	Yes	No
04/02/2018	0000121327	NORTHWEST TERMITE &	PB		C	200.00	Yes	No
04/02/2018	0000121328	NW COMMNET, LLC	PB		C	925.00	Yes	No
04/02/2018	0000121329	NW SEPTIC OPERATION AND	PB		C	389.00	Yes	No
04/02/2018	0000121330	OFFICE DEPOT	PB		C	98.00	Yes	No
04/02/2018	0000121331	OFFICE DEPOT	PB		C	577.57	Yes	No
04/02/2018	0000121332	PROJECT - ORCHARD BLUFF	PB		C	167.00	Yes	No
04/02/2018	0000121333	PACIFIC OFFICE AUTOMATION	PB		C	546.16	Yes	No
04/02/2018	0000121334	REGENCE BLUESHIELD	PB		C	37,734.20	Yes	No
04/02/2018	0000121335	U. S. BANK	PB		C	1,676.04	Yes	No
04/02/2018	0000121336	U.S. BANK	PB		C	13,214.44	Yes	No
04/02/2018	0000121337	VISION SERVICE PLAN - (AT)	PB		C	1,225.55	Yes	No
04/02/2018	0000121338	WALLY'S WAX WORKS JANITORIAL	PB		C	1,100.00	Yes	No

**HOUSING KITSAP**  
**Transaction Edit Listing Between 04/01/2018 and 04/30/2018**  
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Bank Account HK - GENERAL FUND

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000121339	WEST SOUND UTILITY DISTRICT	PB		C	9,129.10	Yes	No
04/02/2018	0000121340	ENVIRONIX	PB		C	665.00	Yes	No
04/02/2018	0000121342	EMPLOYMENT SECURITY DEPARTMEN	PB		C	210.39	Yes	No
04/09/2018	0000121343	LOWE'S	PB		C	217.96	Yes	No
04/09/2018	0000121344	AMERICAN REPORTING COMPANY	PB		C	247.00	Yes	No
04/09/2018	0000121345	CASCADE NATURAL GAS CORP.	PB		C	709.81	Yes	No
04/09/2018	0000121346	CENTURYLINK	PB		C	619.59	Yes	No
04/09/2018	0000121347	CLEAN-N-ROOTER	PB		C	319.00	Yes	No
04/09/2018	0000121348	DUKE ROOF CLEANING	PB		C	9,000.00	Yes	No
04/09/2018	0000121349	VISA	PB		C	3,711.64	Yes	No
04/09/2018	0000121350	EM CLEANING SERVICES	PB		C	185.00	Yes	No
04/09/2018	0000121351	VISA	PB		C	826.15	Yes	No
04/09/2018	0000121352	JOSEPH GUSEMAN	PB		C	30.50	Yes	No
04/09/2018	0000121353	VISA	PB		C	97.76	Yes	No
04/09/2018	0000121354	NORTH PERRY AVENUE	PB		C	774.67	Yes	No
04/09/2018	0000121355	VISA	PB		C	4,051.13	Yes	No
04/09/2018	0000121356	PUGET SOUND ENERGY	PB		C	2,221.90	Yes	No
04/09/2018	0000121357	RELIABLE PARTS	PB		C	57.46	Yes	No
04/09/2018	0000121358	SCOTT MCLENDON'S HARDWARE	PB		C	84.48	Yes	No
04/17/2018	0000121359	CHRIS MOONEY	PB		C	586.22	Yes	No
04/16/2018	0000121360	LOWE'S	PB		C	956.86	Yes	No
04/16/2018	0000121361	HD SUPPLY FACILITIES	PB		C	121.47	Yes	No
04/16/2018	0000121362	ACCOUNTEMPS	PB		C	8,847.93	Yes	No
04/16/2018	0000121364	AMERICAN ASSOCIATION OF	PB		C	203.00	Yes	No
04/16/2018	0000121365	APEX LOCKOUT AND	PB		C	91.95	Yes	No
04/16/2018	0000121366	BAINBRIDGE DISPOSAL INC.	PB		C	229.34	Yes	No
04/16/2018	0000121367	CITY OF BREMERTON	PB		C	8,218.28	Yes	No
04/16/2018	0000121368	CASCADE NATURAL GAS CORP.	PB		C	365.15	Yes	No
04/16/2018	0000121369	KITSAP COUNTY	PB		C	25,269.32	Yes	No
04/16/2018	0000121370	CENTURYLINK	PB		C	95.61	Yes	No
04/16/2018	0000121371	IRON MOUNTAIN	PB		C	411.29	Yes	No
04/16/2018	0000121372	KITSAP LUMBER & HARDWARE INC	PB		C	163.91	Yes	No
04/16/2018	0000121373	MOCO, INC.	PB		C	258.00	Yes	No
04/16/2018	0000121374	NASH CONSULTING INC.	PB		C	10,500.00	Yes	No
04/16/2018	0000121375	PACIFIC SOURCE ADMINISTRATORS	PB		C	895.50	Yes	No
04/16/2018	0000121376	CITY OF POULSBO	PB		C	1,485.70	Yes	No
04/16/2018	0000121377	PROBUILD COMPANY LLC	PB		C	7.99	Yes	No
04/16/2018	0000121378	PUGET SOUND ENERGY	PB		C	3,036.54	Yes	No
04/16/2018	0000121379	RELIABLE PARTS	PB		C	29.73	Yes	No
04/16/2018	0000121380	RODDA PAINT COMPANY	PB		C	99.89	Yes	No
04/16/2018	0000121381	SCOTT MCLENDON'S HARDWARE	PB		C	29.97	Yes	No
04/16/2018	0000121382	KCCHA S-H FAMILY ACCTS PAYABLE	PB		C	13,000.00	Yes	No
04/16/2018	0000121383	OLYMPIC SPRINGS INC.	PB		C	61.65	Yes	No
04/16/2018	0000121384	SILVERDALE WATER DISTRICT	PB		C	2,202.96	Yes	No
04/16/2018	0000121385	WAVE	PB		C	275.97	Yes	No
04/16/2018	0000121386	XEROX CORPORATION	PB		C	343.37	Yes	No
04/16/2018	0000121387	PUGET SOUND ENERGY	PB		C	155.00	Yes	No
04/23/2018	0000121388	CASCADE NATURAL GAS CORP.	PB		C	100.05	Yes	No



**HOUSING KITSAP**  
**Transaction Edit Listing Between 04/01/2018 and 04/30/2018**  
Accounting

Bank Account HK - GENERAL FUND

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/23/2018	0000121389	KITSAP COUNTY PUBLIC WORKS	PB		C	6,729.19	Yes	No
04/23/2018	0000121390	KITSAP COUNTY TREASURER	PB		C	4,841.03	Yes	No
04/23/2018	0000121391	PUGET SOUND ENERGY	PB		C	424.49	Yes	No
04/23/2018	0000121392	OFFICE DEPOT	PB		C	322.06	Yes	No
04/23/2018	0000121393	LOWE'S	PB		C	142.66	Yes	No
04/23/2018	0000121394	HD SUPPLY FACILITIES	PB		C	224.24	Yes	No
04/23/2018	0000121395	HOME DEPOT CREDIT SERVICES	PB		C	2,714.42	Yes	No
04/23/2018	0000121396	A-1 DOOR SERVICE, INC.	PB		C	54.50	Yes	No
04/23/2018	0000121397	CASCADE NATURAL GAS CORP.	PB		C	195.57	Yes	No
04/23/2018	0000121398	CASEY + DECHANT ARCHITECTS LLC	PB		C	30,287.00	Yes	No
04/23/2018	0000121399	BREM-AIR DISPOSAL	PB		C	4,205.22	Yes	No
04/23/2018	0000121400	EMPLOYMENT SECURITY DEPARTMEN	PB		C	20.54	Yes	No
04/23/2018	0000121401	ENVIRONIX	PB		C	641.25	Yes	No
04/23/2018	0000121402	FOSTER PEPPER PLLC	PB		C	740.84	Yes	No
04/23/2018	0000121403	KIDDER MATHEWS	PB		C	4,500.00	Yes	No
04/23/2018	0000121404	KITSAP PUBLIC HEALTH DISTRICT	PB		C	800.00	Yes	No
04/23/2018	0000121405	CITY OF BAINBRIDGE ISLAND	PB		C	1,729.32	Yes	No
04/23/2018	0000121406	VERIZON WIRELESS	PB		C	956.31	Yes	No
04/23/2018	0000121407	WEST SOUND UTILITY DISTRICT	PB		C	36,902.06	Yes	No

**SubTotal****115****604,990.25**

HOUSING KITSAP  
Transaction Edit Listing Between 04/01/2018 and 04/30/2018  
Accounting

Bank Account SECTION 8 - VOUCHERS

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/16/2018		ACH DR- BANK ANALYSIS FEE	OC		H	85.18	Yes	No
04/04/2018	0000023321	HOUSING AUTHORITY OF THE	PB		C	204,988.40	Yes	No
04/05/2018	0000023322	HOUSING AUTHORITY OF THE	PB		C	4,933.60	Yes	No
<b>SubTotal</b>					<b>3</b>	<b>210,007.18</b>		

HOUSING KITSAP  
 SELF-HELP FAMILY A/P  
 APRIL 2018

DATE	CHECK #	PAID TO	AMOUNT
4/10/2018	17171-17196	VOIDED CHECKS	\$0.00
4/6/2018	17197	ALLEGIANCE HOME INSPECTION LLC	\$295.00
4/10/2018	17198	B-MORE ELECTRIC	\$3,847.48
4/10/2018	17199	CALPORTLAND CO.	\$5,824.81
4/10/2018	17200	KITSAP SPORTS SHOP INC., DBA DS SALES ASSOCIATES	\$3,999.90
4/10/2018	17201	FERGUSON ENTERPRISES INC	\$684.68
4/10/2018	17202	KINGSTON HENERY HARDWARE INC.	\$294.48
4/10/2018	17203	HERDMAN PLUMBING	\$5,865.18
4/10/2018	17204	VOIDED CHECK	\$0.00
4/10/2018	17205	INSULATION NORTHWEST	\$4,400.33
4/10/2018	17206	KINGSTON LUMBER	\$22,196.76
4/10/2018	17207	LOWE'S HIW, INC.	\$87.20
4/10/2018	17208	LUMBERMENS / PROBUILD	\$131.00
4/10/2018	17209	M & C DRYWALL, INC	\$8,466.73
4/10/2018	17210	MADRONA HOMES LLC	\$1,445.71
4/10/2018	17211	IRON VISION GROUP dba NILSENS APPLIANCE	\$1,975.08
4/10/2018	17212	NORTHWEST DOOR LLC	\$3,505.48
4/10/2018	17213	NW DUCTLESS INC.	\$13,995.60
4/10/2018	17214	PORT ORCHARD ELECTRIC LLC	\$5,204.62
4/10/2018	17215	RAINIER INSULATION SERVICES INC	\$7,731.38
4/10/2018	17216	RANDY KAN	\$195.00
4/10/2018	17217	ROCK SOLID, INC.	\$9,132.02
4/10/2018	17218	RODDA PAINT COMPANY INC.	\$2,006.41
4/10/2018	17219	ROYAL BUILDERS LLC	\$4,734.91
4/10/2018	17220	ROOF TRUSS SUPPLY, INC.	\$10,966.14
4/10/2018	17221	SEATTLE LIGHTING	\$878.17
4/10/2018	17222	VALLEY SUPPLY CO.	\$1,908.63
4/12/2018	17223	A & H CONCRETE	\$10,031.49
4/12/2018	17224	USDA RURAL DEVELOPMENT- OLYMPIA	\$65,059.00
4/20/2018	17225	HOME DEPOT #-2918	\$2,787.84
4/26/2018	17226	PUGET SOUND ENERGY	\$2,453.13
4/26/2018	17227	FARMERS INSURANCE	\$21.55
4/26/2018	17228	LIFE INSURANCE CO OF NA	\$1,738.80
4/26/2018	17229	KITSAP COUNTY TREASURER	\$9,542.93
<b>TOTAL</b>			<b>\$211,407.44</b>

**HOUSING KITSAP**  
**Transaction Edit Listing Between 04/01/2018 and 04/30/2018**  
Accounting

Bank Account RED BARN - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000102994	KCCHA GENERAL FUND	PB		C	3,067.94	Yes	No
04/02/2018	0000102995	QUORUS COMMERCIAL	PB		C	5,492.40	Yes	No
04/02/2018	0000102996	RED BARN REPLACEMENT RESERVE	PB		C	1,027.97	Yes	No
04/02/2018	0000102997	U.S. BANK	PB		C	252.20	Yes	No
04/09/2018	0000102998	LOWE'S	PB		C	596.29	Yes	No
04/09/2018	0000102999	PUGET SOUND ENERGY	PB		C	3,866.42	Yes	No
04/09/2018	0000103000	SCOTT MCLENDON'S HARDWARE	PB		C	77.38	Yes	No
04/09/2018	0000103001	WALLY'S WAX WORKS	PB		C	260.00	No	No
04/09/2018	0000103002	XEROX CORPORATION	PB		C	45.32	Yes	No
04/16/2018	0000103003	BREM-AIR DISPOSAL	PB		C	277.04	Yes	No
04/16/2018	0000103004	WAVE	PB		C	145.44	Yes	No
04/23/2018	0000103005	CINTAS FIRE 636525	PB		C	432.73	No	No
04/23/2018	0000103006	FOSTER PEPPER PLLC	PB		C	81.66	No	No
04/23/2018	0000103007	KCCHA GENERAL FUND	PB		C	3,552.67	Yes	No
04/23/2018	0000103008	VERIZON WIRELESS	PB		C	28.58	No	No
04/23/2018	0000103009	WASHINGTON STATE	PB		C	20.79	No	No
<b>SubTotal</b>				<b>16</b>		<b>19,224.83</b>		

**HOUSING KITSAP**  
**Transaction Edit Listing Between 04/01/2018 and 04/30/2018**  
 Accounting

Bank Account DYE'S INLET - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000804751	CENTURYLINK	PB		C	64.29	Yes	No
04/02/2018	0000804752	DYE'S INLET REPLACEMT. RESERVE	PB		C	464.64	Yes	No
04/02/2018	0000804753	KCCHA GENERAL FUND	PB		C	903.96	Yes	No
04/02/2018	0000804754	MULTIFAMILY AFFORDABLE PROPERTI	PB		C	36.00	Yes	No
04/09/2018	0000804755	LOWE'S	PB		C	7.87	Yes	No
04/09/2018	0000804756	KITSAP COUNTY TREASURER	PB		C	193.00	Yes	No
04/16/2018	0000804757	CASCADE NATURAL GAS CORP.	PB		C	157.04	Yes	No
04/16/2018	0000804758	PUGET SOUND ENERGY	PB		C	312.47	Yes	No
04/16/2018	0000804759	SILVERDALE WATER DISTRICT	PB		C	393.05	Yes	No
04/23/2018	0000804760	KITSAP COUNTY PUBLIC WORKS	PB		C	1,034.64	Yes	No
04/23/2018	0000804761	HD SUPPLY FACILITIES	PB		C	108.11	Yes	No
04/23/2018	0000804762	APEX LOCKOUT AND	PB		C	109.00	Yes	No
04/23/2018	0000804763	CINTAS FIRE 636525	PB		C	147.15	Yes	No
04/23/2018	0000804764	FOSTER PEPPER PLLC	PB		C	81.67	Yes	No
04/23/2018	0000804765	KCCHA GENERAL FUND	PB		C	735.65	Yes	No
04/23/2018	0000804766	VERIZON WIRELESS	PB		C	9.24	Yes	No
04/23/2018	0000804767	WALLY'S WAX WORKS JANITORIAL	PB		C	265.00	Yes	No
04/23/2018	Z000000001	HOME DEPOT CREDIT SERVICES	PB		C	0.00	No	No
<b>SubTotal</b>					<b>18</b>	<b>5,022.78</b>		

HOUSING KITSAP  
Transaction Edit Listing Between 04/01/2018 and 04/30/2018  
Accounting

Bank Account LIBERTY BAY - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000905069	KCCHA GENERAL FUND	PB		C	2,947.84	Yes	No
04/02/2018	0000905070	LIBERTY BAY PROPERTY RESERVE	PB		C	605.12	Yes	No
04/02/2018	0000905071	WEST SOUND UTILITY DISTRICT	PB		C	783.50	Yes	No
04/09/2018	0000905072	LOWE'S	PB		C	56.40	Yes	No
04/09/2018	0000905073	BREM-AIR DISPOSAL	PB		C	155.93	Yes	No
04/09/2018	0000905074	KITSAP COUNTY TREASURER	PB		C	434.00	Yes	No
04/16/2018	0000905075	CENTURYLINK	PB		C	232.34	Yes	No
04/16/2018	0000905076	PUGET SOUND ENERGY	PB		C	1,451.08	Yes	No
04/16/2018	0000905077	WAVE	PB		C	150.50	Yes	No
04/23/2018	0000905078	CITY OF BREMERTON	PB		C	956.50	Yes	No
04/23/2018	0000905079	CINTAS FIRE 636525	PB		C	180.00	Yes	No
04/23/2018	0000905080	BREM-AIR DISPOSAL	PB		C	155.93	Yes	No
04/23/2018	0000905081	FOSTER PEPPER PLLC	PB		C	81.67	Yes	No
04/23/2018	0000905082	KCCHA GENERAL FUND	PB		C	1,090.19	Yes	No
04/23/2018	0000905083	NORTHWEST TERMITE &	PB		C	136.25	Yes	No
04/23/2018	0000905084	VERIZON WIRELESS	PB		C	37.28	Yes	No
04/23/2018	0000905085	WALLY'S WAX WORKS JANITORIAL	PB		C	360.00	Yes	No
<b>SubTotal</b>				<b>17</b>		<b>9,814.53</b>		

HOUSING KITSAP  
Transaction Edit Listing Between 04/01/2018 and 04/30/2018  
Accounting

Bank Account HERITAGE - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000102817	OFFICE DEPOT	PB		C	44.49	Yes	No
04/02/2018	0000102818	BREM-AIR DISPOSAL	PB		C	1,076.50	Yes	No
04/02/2018	0000102819	CINTAS FIRE 636525	PB		C	663.81	Yes	No
04/02/2018	0000102820	MEGAN HASTINGS	PB		C	50.00	Yes	No
04/02/2018	0000102821	KITSAP COUNTY PROSECUTING	PB		C	1,234.20	Yes	No
04/02/2018	0000102822	PUGET SOUND ENERGY	PB		C	353.87	Yes	No
04/02/2018	0000102823	LISA SPONG	PB		C	50.32	Yes	No
04/02/2018	0000102824	WAVE BROADBAND	PB		C	149.00	Yes	No
04/02/2018	0000102825	WEST SOUND WORKFORCE, INC.	PB		C	978.40	Yes	No
04/09/2018	0000102826	LOWE'S	PB		C	230.06	Yes	No
04/09/2018	0000102827	HD SUPPLY FACILITIES	PB		C	3,199.09	Yes	No
04/09/2018	0000102828	HERITAGE APTS-REPLACEMENT	PB		C	1,454.10	Yes	No
04/09/2018	0000102829	KCCHA GENERAL FUND	PB		C	12,618.29	Yes	No
04/09/2018	0000102830	PUGET SOUND ENERGY	PB		C	679.75	Yes	No
04/09/2018	0000102831	RODDA PAINT COMPANY	PB		C	528.41	Yes	No
04/09/2018	0000102832	SCOTT MCLENDON'S HARDWARE	PB		C	90.21	Yes	No
04/16/2018	0000102833	Amber Ableman	PB		C	47.00	Yes	No
04/16/2018	0000102834	Andrea Bame	PB		C	90.00	Yes	No
04/16/2018	0000102835	Ruby Bowman	PB		C	50.00	Yes	No
04/16/2018	0000102836	Sandra Broadrick	PB		C	50.00	Yes	No
04/16/2018	0000102837	Nickie Burks	PB		C	39.00	Yes	No
04/16/2018	0000102838	Rolando Cruz	PB		C	50.00	Yes	No
04/16/2018	0000102839	Stefanie Grace	PB		C	50.00	Yes	No
04/16/2018	0000102840	Alex Jensen	PB		C	10.00	No	No
04/16/2018	0000102841	MOCO, INC.	PB		C	430.00	Yes	No
04/16/2018	0000102842	Adrienne Olafsen	PB		C	47.00	Yes	No
04/16/2018	0000102843	WEST SOUND WORKFORCE, INC.	PB		C	1,932.34	Yes	No
04/23/2018	0000102844	BREM-AIR DISPOSAL	PB		C	127.66	Yes	No
04/23/2018	0000102845	FOSTER PEPPER PLLC	PB		C	414.17	Yes	No
04/23/2018	0000102846	KITSAP PUBLIC HEALTH DISTRICT	PB		C	1,375.25	Yes	No
04/23/2018	0000102847	PACIFIC OFFICE AUTOMATION	PB		C	47.21	Yes	No
04/23/2018	0000102848	VERIZON WIRELESS	PB		C	48.00	Yes	No
04/23/2018	0000102849	WEST SOUND WORKFORCE, INC.	PB		C	978.40	Yes	No
<b>SubTotal</b>					<b>33</b>	<b>29,186.53</b>		

**HOUSING KITSAP**  
**Transaction Edit Listing Between 04/01/2018 and 04/30/2018**  
Accounting

Bank Account VIEWMONT - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000103703	CINTAS FIRE 636525	PB		C	524.56	Yes	No
04/02/2018	0000103704	CLEAN-N-ROOTER	PB		C	1,095.24	Yes	No
04/02/2018	0000103705	GREAT FLOORS LLC	PB		C	4,774.20	Yes	No
04/02/2018	0000103706	KCCHA GENERAL FUND	PB		C	10,598.53	Yes	No
04/02/2018	0000103707	MEGAN HASTINGS	PB		C	50.00	Yes	No
04/02/2018	0000103708	OFFICE DEPOT, INC.	PB		C	57.41	Yes	No
04/02/2018	0000103709	VIEWMONT APTS-REPLACEMENT	PB		C	1,999.39	Yes	No
04/02/2018	0000103710	WALLY'S WAX WORKS	PB		C	90.00	Yes	No
04/02/2018	0000103711	WEST SOUND UTILITY DISTRICT	PB		C	7,526.47	Yes	No
04/09/2018	0000103712	LOWE'S	PB		C	588.22	Yes	No
04/09/2018	0000103713	PUGET SOUND ENERGY	PB		C	568.35	Yes	No
04/16/2018	0000103714	Amanda Stewart	PB		C	101.00	Yes	No
04/16/2018	0000103715	Bradley Ritchison	PB		C	13.00	Yes	No
04/16/2018	0000103716	BREM-AIR DISPOSAL	PB		C	2,242.11	Yes	No
04/16/2018	0000103717	Derek Brougham	PB		C	52.00	Yes	No
04/16/2018	0000103718	Edward McKee	PB		C	101.00	Yes	No
04/16/2018	0000103719	HD SUPPLY FACILITIES	PB		C	1,010.51	Yes	No
04/16/2018	0000103720	KITSAP COUNTY TREASURER	PB		C	1,537.39	Yes	No
04/16/2018	0000103721	Melinda St. John	PB		C	52.00	Yes	No
04/16/2018	0000103722	Michelle Johnson	PB		C	15.00	Yes	No
04/16/2018	0000103723	MOCO, INC.	PB		C	172.00	Yes	No
04/16/2018	0000103724	PUGET SOUND ENERGY	PB		C	11.05	Yes	No
04/16/2018	0000103725	Sandy Mantanona	PB		C	52.00	Yes	No
04/16/2018	0000103726	SCOTT MCLENDON'S HARDWARE	PB		C	234.59	Yes	No
04/16/2018	0000103727	Shannon Isbell	PB		C	4.00	Yes	No
04/16/2018	0000103728	Shawna Lowrie	PB		C	49.00	Yes	No
04/23/2018	0000103729	ALLEN SHEARER TRUCKING &	PB		C	220.00	Yes	No
04/23/2018	0000103730	BREM-AIR DISPOSAL	PB		C	786.44	Yes	No
04/23/2018	0000103731	FOSTER PEPPER PLLC	PB		C	414.17	Yes	No
04/23/2018	0000103732	HOME DEPOT CREDIT SERVICES	PB		C	1,697.54	Yes	No
04/23/2018	0000103733	JD CLEANING SERVICES	PB		C	195.00	Yes	No
04/23/2018	0000103734	KCCHA GENERAL FUND	PB		C	10,300.69	Yes	No
04/23/2018	0000103735	KITSAP PUBLIC HEALTH DISTRICT	PB		C	2,113.00	Yes	No
04/23/2018	0000103736	OFFICE DEPOT	PB		C	135.01	Yes	No
04/23/2018	0000103737	VERIZON WIRELESS	PB		C	63.46	Yes	No
04/23/2018	0000103738	XEROX CORPORATION	PB		C	83.19	Yes	No
<b>SubTotal</b>				<b>36</b>		<b>49,527.52</b>		



HOUSING KITSAP  
Transaction Edit Listing Between 04/01/2018 and 04/30/2018  
Accounting

Bank Account RAILROAD- OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000002693	KCCHA GENERAL FUND	PB		C	1,964.51	Yes	No
04/02/2018	0000002694	NORTHWEST TERMITE &	PB		C	87.20	Yes	No
04/02/2018	0000002695	RAILROAD AVE. REPLACEMENT	PB		C	1,250.00	Yes	No
04/16/2018	0000002696	Cassi Rhodelander	PB		C	18.00	No	No
04/16/2018	0000002697	CITY OF POULSBO	PB		C	1,659.19	Yes	No
04/16/2018	0000002698	COMCAST	PB		C	78.57	Yes	No
04/16/2018	0000002699	HD SUPPLY FACILITIES	PB		C	161.45	Yes	No
04/16/2018	0000002700	JANA MCKINNEY	PB		C	15.00	Yes	No
04/16/2018	0000002701	Melissa Weitzman	PB		C	71.00	Yes	No
04/16/2018	0000002702	PUGET SOUND ENERGY	PB		C	677.67	Yes	No
04/23/2018	0000002703	FOSTER PEPPER PLLC	PB		C	81.66	Yes	No
04/23/2018	0000002704	HOME DEPOT CREDIT SERVICES	PB		C	30.72	Yes	No
04/23/2018	0000002705	KCCHA GENERAL FUND	PB		C	1,804.44	Yes	No
04/23/2018	0000002706	SONIA S. SCOTT	PB		C	23.13	Yes	No
04/23/2018	0000002707	VERIZON WIRELESS	PB		C	29.96	Yes	No
<b>SubTotal</b>				<b>15</b>		<b>7,952.50</b>		

**HOUSING KITSAP**  
**Transaction Edit Listing Between 04/01/2018 and 04/30/2018**  
Accounting

Bank Account RD PROJECTS - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000003808	ANCHOR BANK	PB		C	6,162.66	No	No
04/02/2018	0000003809	CINTAS FIRE 636525	PB		C	210.00	No	No
04/02/2018	0000003810	KCCHA GENERAL FUND	PB		C	22,577.65	No	No
04/02/2018	0000003811	KITSAP COUNTY PROSECUTING	PB		C	4,858.21	No	No
04/02/2018	0000003812	JANA MCKINNEY	PB		C	45.00	No	No
04/02/2018	0000003813	MULTIFAMILY AFFORDABLE PROPERTI	PB		C	58.00	No	No
04/02/2018	0000003814	NORTHWEST TERMITE &	PB		C	445.00	No	No
04/02/2018	0000003815	OFFICE DEPOT	PB		C	54.70	No	No
04/02/2018	0000003816	USDA - RD REPLACEMENT RESERVE	PB		C	4,356.00	No	No
04/02/2018	0000003817	ALL FLOORS AND MORE	PB		C	913.56	No	No
04/16/2018	0000003818	BAINBRIDGE DISPOSAL INC.	PB		C	1,012.50	No	No
04/16/2018	0000003820	CENTURYLINK	PB		C	40.68	No	No
04/16/2018	0000003821	CITY OF POULSBO	PB		C	4,444.04	No	No
04/16/2018	0000003822	COMCAST	PB		C	376.01	No	No
04/16/2018	0000003823	GREAT FLOORS LLC	PB		C	200.00	No	No
04/16/2018	0000003824	HD SUPPLY FACILITIES	PB		C	3,061.42	No	No
04/16/2018	0000003825	JANA MCKINNEY	PB		C	250.00	No	No
04/16/2018	0000003827	MOCO, INC.	PB		C	258.00	No	No
04/16/2018	0000003828	OFFICE DEPOT	PB		C	19.72	No	No
04/16/2018	0000003829	PROBUILD COMPANY LLC	PB		C	36.75	No	No
04/16/2018	0000003830	PUGET SOUND ENERGY	PB		C	1,642.61	No	No
04/16/2018	0000003831	CENTURYLINK COMMUNICATIONS, LLC	PB		C	1.17	No	No
04/16/2018	0000003832	KITSAP COUNTY PUBLIC WORKS	PB		C	43.31	No	No
04/16/2018	0000003833	KITSAP COUNTY TREASURER	PB		C	2,302.05	No	No
04/23/2018	0000003834	CENTURYLINK	PB		C	200.64	No	No
04/23/2018	0000003835	COMCAST	PB		C	446.99	No	No
04/23/2018	0000003836	FOSTER PEPPER PLLC	PB		C	326.68	No	No
04/23/2018	0000003837	GREAT FLOORS LLC	PB		C	1,910.00	No	No
04/23/2018	0000003838	HD SUPPLY FACILITIES	PB		C	813.00	No	No
04/23/2018	0000003839	HOME DEPOT CREDIT SERVICES	PB		C	867.80	No	No
04/23/2018	0000003840	JULIE COMBS	PB		C	12.06	No	No
04/23/2018	0000003841	JULIE COMBS	PB		C	100.19	No	No
04/23/2018	0000003842	JULIETTE BARBER	PB		C	46.71	No	No
04/23/2018	0000003843	PROBUILD COMPANY LLC	PB		C	30.45	No	No
04/23/2018	0000003844	RODDA PAINT COMPANY	PB		C	199.78	No	No
04/23/2018	0000003845	SONIA SCOTT	PB		C	57.90	No	No
04/23/2018	0000003846	VERIZON WIRELESS	PB		C	205.09	No	No
04/23/2018	0000003847	WASHINGTON STATE	PB		C	10,437.01	No	No
<b>SubTotal</b>					<b>38</b>	<b>69,023.34</b>		

**HOUSING KITSAP**  
**Transaction Edit Listing Between 04/01/2018 and 04/30/2018**  
 Accounting

Bank Account KITSAP APT - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/02/2018	0000015516	ATWORK COMMERCIAL ENTERPRISES	PB		C	4,753.62	Yes	No
04/02/2018	0000015517	GREAT FLOORS LLC	PB		C	4,255.16	Yes	No
04/02/2018	0000015518	KITSAP APARTMENTS	PB		C	6,753.18	Yes	No
04/02/2018	0000015519	KITSAP COUNTY PROSECUTING	PB		C	989.41	Yes	No
04/02/2018	0000015520	U.S. BANK	PB		C	2,078.33	Yes	No
04/02/2018	0000015521	WEST SOUND UTILITY DISTRICT	PB		C	6,587.59	Yes	No
04/09/2018	0000015522	CASCADE NATURAL GAS CORP.	PB		C	195.26	Yes	No
04/09/2018	0000015523	HD SUPPLY FACILITIES	PB		C	2,558.55	Yes	No
04/09/2018	0000015524	KCCHA GENERAL FUND	PB		C	23,391.00	Yes	No
04/09/2018	0000015525	LOWE'S	PB		C	828.50	Yes	No
04/09/2018	0000015526	PUGET SOUND ENERGY	PB		C	104.51	Yes	No
04/09/2018	0000015527	THERESA BALLEW	PB		C	122.18	Yes	No
04/09/2018	0000015528	THERESA BALLEW - PETTY CASH	PB		C	35.30	Yes	No
04/09/2018	0000015529	XEROX CORPORATION	PB		C	68.22	Yes	No
04/16/2018	0000015530	ADRIAN HERNANDEZ	PB		C	132.87	Yes	No
04/16/2018	0000015531	AFL CONSTRUCTION INC.	PB		C	725.05	Yes	No
04/16/2018	0000015532	ANN LEMIEUX	PB		C	62.57	Yes	No
04/16/2018	0000015533	BREM-AIR DISPOSAL	PB		C	933.31	Yes	No
04/16/2018	0000015534	GREAT FLOORS LLC	PB		C	1,815.12	Yes	No
04/16/2018	0000015535	HD SUPPLY FACILITIES	PB		C	915.60	Yes	No
04/16/2018	0000015536	HENERY HARDWARE	PB		C	104.64	Yes	No
04/16/2018	0000015537	KITSAP COUNTY TREASURER	PB		C	2,932.53	Yes	No
04/16/2018	0000015538	NORTHWEST TERMITE &	PB		C	163.50	Yes	No
04/16/2018	0000015539	OLYMPIC HOME AND PROPERTY SERV	PB		C	3,569.75	Yes	No
04/16/2018	0000015540	PUGET SOUND ENERGY	PB		C	1,891.29	Yes	No
04/16/2018	0000015541	RELIABLE PARTS	PB		C	433.45	Yes	No
04/16/2018	0000015542	ROCKY BAY CONSTRUCTION	PB		C	17,641.65	Yes	No
04/16/2018	0000015543	RODDA PAINT COMPANY	PB		C	971.69	Yes	No
04/16/2018	0000015544	SCOTT MCLENDON'S HARDWARE	PB		C	9.79	Yes	No
04/16/2018	0000015545	SURFACE RENEW INC.	PB		C	370.58	Yes	No
04/16/2018	0000015546	WEST SOUND WORKFORCE, INC.	PB		C	664.72	Yes	No
04/23/2018	0000015547	ATWORK COMMERCIAL ENTERPRISES	PB		C	4,955.27	Yes	No
04/23/2018	0000015548	BREM-AIR DISPOSAL	PB		C	1,330.02	Yes	No
04/23/2018	0000015549	CENTURYLINK	PB		C	415.35	Yes	No
04/23/2018	0000015550	CENTURYLINK	PB		C	303.43	Yes	No
04/23/2018	0000015551	FOR RENT MEDIA SOLUTIONS	PB		C	945.09	Yes	No
04/23/2018	0000015552	FOSTER PEPPER PLLC	PB		C	244.98	Yes	No
04/23/2018	0000015553	GREENSHIELD HOME &	PB		C	1,445.00	Yes	No
04/23/2018	0000015554	KCCHA GENERAL FUND	PB		C	20,843.41	Yes	No
04/23/2018	0000015555	KITSAP COUNTY PUBLIC WORKS	PB		C	7,544.52	Yes	No
04/23/2018	0000015556	MOCO, INC.	PB		C	774.00	Yes	No
04/23/2018	0000015557	NORTHWEST TERMITE &	PB		C	54.50	Yes	No
04/23/2018	0000015558	OLYMPIC HOME AND PROPERTY SERV	PB		C	2,616.00	Yes	No
04/23/2018	0000015559	PACIFIC OFFICE AUTOMATION	PB		C	86.47	Yes	No
04/23/2018	0000015560	PUGET SOUND ENERGY	PB		C	465.37	Yes	No
04/23/2018	0000015561	RELIABLE PARTS	PB		C	114.24	Yes	No
04/23/2018	0000015562	SEARS COMMERCIAL ONE	PB		C	1,546.38	Yes	No
04/25/2018	0000015566	VERIZON WIRELESS	PB		C	110.88	Yes	No

HOUSING KITSAP  
Transaction Edit Listing Between 04/01/2018 and 04/30/2018  
Accounting

Bank Account KITSAP APT - OPERATING

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/25/2018	0000015567	WAVE	PB		C	110.00	Yes	No
04/25/2018	0000015568	WEST SOUND WORKFORCE, INC.	PB		C	2,171.57	Yes	No
<b>SubTotal</b>					<b>50</b>	<b>132,135.40</b>		

Run By: EJ

HOUSING KITSAP  
Transaction Edit Listing Between 04/01/2018 and 04/30/2018  
Accounting

Bank Account SELF HELP - USDA 523 Grant Fund

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/10/2018		WIRE TRANSFER- HK G/F	OC		H	205,055.28	Yes	No
<b>SubTotal</b>					<b>1</b>	<b>205,055.28</b>		

Run By: MA

HOUSING KITSAP  
Transaction Edit Listing Between 04/01/2018 and 04/30/2018  
Accounting

Bank Account    PH - Rental Receipts

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/23/2018	0000001208	KCCHA GENERAL FUND	PB		C	75,000.00	Yes	No
<b>SubTotal</b>					<b>1</b>	<b>75,000.00</b>		

Run By: MA

HOUSING KITSAP  
Transaction Edit Listing Between 04/01/2018 and 04/30/2018  
Accounting

Bank Account HK PROJECTS - Rental Receipts

<u>Trans. Date</u>	<u>Trans. No.</u>	<u>Name on Transaction</u>	<u>Journal</u>	<u>S8 Type</u>	<u>Trans. Type</u>	<u>Trans. Amount</u>	<u>Cleared</u>	<u>Voided</u>
04/23/2018	0000001551	KCCHA GENERAL FUND	PB		C	152,000.00	No	No
<b>SubTotal</b>					<b>1</b>	<b>152,000.00</b>		



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 6.A.

**AGENDA TITLE:** Review and discussion of Financials, Housing Kitsap (HK) cash projections, and software implementation.

**SUBMITTED BY:** Wendy Dutenhoeffer

**TITLE:** Director of BTR

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** MRI Project Plan and a Draft 2019 Budget.

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**STRATEGIC PLAN LINK:** Supports Goals 1-5

**FISCAL IMPACT:** None, discussion only

**RECOMMENDATION:** None

**SUMMARY STATEMENT:**

Discussion and status review of financials, draft budget and software implementation.

**RECOMMENDED ACTION:**

General discussion and updates provided at the meeting.



Kitsap - Project Plan



Status	Task Name	Duration	Start Date	End Date	Predecessors	Owner	Progress	Assigned To
1	<div><div></div>PHASE I</div>	84d	05/04/18	08/29/18				
2	<div><div></div>Initiate</div>	1d	05/04/18	05/04/18				
3	<div><div></div>Kick-Off Call</div>	1d	05/04/18	05/04/18		MRI	<div><div></div></div>	abi.conklin@mrisoftware.com
4								
5	<div><div></div>Blueprint</div>	52d	05/31/18	08/10/18				
6	<div><div></div>Solution Design Workshops</div>	2d	05/31/18	06/01/18		MRI	<div><div></div></div>	abi.conklin@mrisoftware.com
7	<div><div></div>Project Plan Design</div>	2d	05/31/18	06/01/18		MRI	<div><div></div></div>	abi.conklin@mrisoftware.com
8	<div><div></div>Solution Design Document</div>	50d	06/04/18	08/10/18	6, 7	MRI	<div><div></div></div>	matt.mellinger@mrisoftware.com
9								
10	<div><div></div>Build</div>	30d	06/04/18	07/13/18				
11	<div><div></div>User Setup</div>	5d	06/04/18	06/08/18	6	Client	<div><div></div></div>	Wendy Dutenhoeffer
12	<div><div></div>Security Setup</div>	20d	06/11/18	07/06/18	11	Client	<div><div></div></div>	Wendy Dutenhoeffer
13	<div><div></div>General Ledger</div>	30d	06/04/18	07/13/18		Client	<div><div></div></div>	Wendy Dutenhoeffer
14	<div><div></div>Chart of Accounts &amp; Mapping</div>	10d	06/04/18	06/15/18	6	Client	<div><div></div></div>	Wendy Dutenhoeffer
15	<div><div></div>Entity, Project, Bank</div>	10d	06/04/18	06/15/18	6	Client	<div><div></div></div>	Wendy Dutenhoeffer
16	<div><div></div>Bank Mapping</div>	5d	06/18/18	06/22/18	14, 15	Client	<div><div></div></div>	Wendy Dutenhoeffer
17	<div><div></div>General Ledger History</div>	20d	06/18/18	07/13/18	14, 15	Client	<div><div></div></div>	Wendy Dutenhoeffer
18	<div><div></div>Budget</div>	20d	06/18/18	07/13/18	14, 15	Client	<div><div></div></div>	Wendy Dutenhoeffer
19	<div><div></div>Financial Formats</div>	20d	06/18/18	07/13/18	14	Client	<div><div></div></div>	Wendy Dutenhoeffer
20	<div><div></div>Departments</div>	20d	06/04/18	06/29/18	6	Client	<div><div></div></div>	Wendy Dutenhoeffer
21	<div><div></div>Accounts Payable</div>	40d	06/04/18	07/27/18		Client	<div><div></div></div>	Wendy Dutenhoeffer
22	<div><div></div>Vendors</div>	20d	06/04/18	06/29/18	6	Client	<div><div></div></div>	Wendy Dutenhoeffer
23	<div><div></div>Expense Control</div>	15d	06/25/18	07/13/18	11, 14FS +5d	Client	<div><div></div></div>	Wendy Dutenhoeffer
24	<div><div></div>Check Batch Approval</div>	15d	06/25/18	07/13/18		Client	<div><div></div></div>	Wendy Dutenhoeffer
25	<div><div></div>Open AP</div>	5d	07/23/18	07/27/18	22FS +15d	Client	<div><div></div></div>	Wendy Dutenhoeffer
26	<div><div></div>Purchase Order</div>	30d	06/04/18	07/13/18		Client	<div><div></div></div>	Wendy Dutenhoeffer
27	<div><div></div>PO Users &amp; Limits</div>	20d	06/04/18	06/29/18	6	Client	<div><div></div></div>	Wendy Dutenhoeffer
28	<div><div></div>Open POs</div>	10d	07/02/18	07/13/18	22, 14	Client	<div><div></div></div>	Wendy Dutenhoeffer
29	<div><div></div>Job Cost</div>	20d	06/18/18	07/13/18		Client	<div><div></div></div>	Wendy Dutenhoeffer
30	<div><div></div>Cost List &amp; Cost Codes</div>	5d	06/18/18	06/22/18	6, 14	Client	<div><div></div></div>	Wendy Dutenhoeffer
31	<div><div></div>Job Codes</div>	15d	06/25/18	07/13/18	30	Client	<div><div></div></div>	Wendy Dutenhoeffer
32	<div><div></div>Grant Tracking</div>	15d	06/25/18	07/13/18	30	Client	<div><div></div></div>	Wendy Dutenhoeffer
33	<div><div></div>Contracts</div>	15d	06/25/18	07/13/18		Client	<div><div></div></div>	Wendy Dutenhoeffer
34								
35	<div><div></div>Inspect</div>	10d	07/16/18	07/27/18				
36	<div><div></div>Validation</div>	5d	07/16/18	07/20/18	13	Client	<div><div></div></div>	Wendy Dutenhoeffer
37	<div><div></div>UAT</div>	5d	07/23/18	07/27/18	36	Client	<div><div></div></div>	Wendy Dutenhoeffer

	Status	Task Name	Duration	Start Date	End Date	Predecessors	Owner	Progress	Assigned To
38									
39		Launch	23d	07/30/18	08/29/18				
40		Training	2d	07/30/18	07/31/18		MRI		matt.mellinger@mrsoftware.com
41		AP Training	1d	07/30/18	07/30/18	37	MRI		matt.mellinger@mrsoftware.com
42		PO Training	1d	07/30/18	07/30/18	37	MRI		matt.mellinger@mrsoftware.com
43		Job Cost Training	1d	07/30/18	07/30/18	37	MRI		matt.mellinger@mrsoftware.com
44		GL Training	1d	07/31/18	07/31/18	41	MRI		matt.mellinger@mrsoftware.com
45		Final Inspection	1d	08/01/18	08/01/18	44	Client		Wendy Dutenhoeffer
46		Go Live	20d	08/02/18	08/29/18	45	Client		Wendy Dutenhoeffer
47									
48		PHASE II							
49		Budgeting and Forecasting	30d	TBD	TBD				
50									
51									
52	*	Thursday Mornings PST (Thursday Midday EST) - Not available							
53									
54		Status Legend:							
55		On track							
56		There is a risk of delay							
57		There are issues or delays							
58		Completed							



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** \_6. B.

**AGENDA ITEM:** Consideration of a motion to authorize the Board Chair and the Executive Director to sign a letter to the State Auditor's Office

**SUBMITTED BY:** Stuart Grogan

**TITLE:** Executive Director

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Project summary, draft letter and plan

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**STRATEGIC PLAN LINK:** Goal 1, Strategy 1.1

**FISCAL IMPACT:** Improve available cash and reduce demands on current cash to balance the budget

**RECOMMENDATION:** Authorization to submit the letter

**SUMMARY STATEMENT:**

In a meeting with the State Auditor's Office (SAO), following their completion of their annual audit work with HK, the SAO asked for a written plan on how HK would address the cash flow concerns of the SAO in the coming months.

A draft plan is provided that builds on the Board's discussion at the June 5, 2018 meeting.

If approved, the attached would be submitted to the SAO who would include it as part of their audit analysis. Further, the SAO will review HK's progress in the first quarter of the next fiscal year.

**RECOMMENDED  
ACTION:**

Adoption of a motion

**Board of Commissioners**

*Chair* Rob Putaansuu

Becky Erickson

Charlotte Garrido

*Vice Chair* Danielle Murphy

Robert Gelder

Kol Medina

Ed Wolfe

**Executive Director**

Stuart Grogan



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Silverdale, WA 98383

Phone (360) 535.6100

Fax (360) 535.6107

TDD (360) 535.6106

<http://www.housingkitsap.org>

Christine MacIntyre, Assistant State Auditor  
WA State Auditor's Office  
600 Kitsap Street, Suite 201  
Port Orchard, WA 98366

Dear Ms. MacIntyre:

Pursuant to your request on June 12, 2018, Housing Kitsap (HK) has adopted the following plan to improve the projected negative cash position anticipated by both HK's analysis and your office as attached.

This plan was reviewed by the members of the Board of Commissioners on June 26, 2018 and a motion to authorize the Chair and the Executive Director to sign the plan, as described above, was approved by the Board.

Sincerely,

Rob Putaansuu  
Chair of the Board of Commissioners

Stuart Grogan, ED  
Executive Director

# DRAFT: 6 / 2018

## Phase I (to be implemented immediately or is already in process)

	Budget savings	Cash	cash demands (Monthly)	Implementation
<b>Available cash</b>				
Require Kitsap Apartment (KA) to repay interfund amount for debt service that HK has carried while the property stabilized. As of June, 2018, total amount due from KA: \$592,000 Amount reasonably drawn from project funds		\$ 250,000.00		Will advise project investor but can be implemented by HK as General Partner immediately
In 2015 and 2017, NMTC partnerships have exited and there are				
Subsidiaries #4, #5 and #6 (exited, remaining for distribution)		\$ 450,000.00		NMTC board meeting planned for mid August
Subsidiary #10 (exited, available for distribution)		\$ 171,700.00		BASIC board meeting planned for mid July
Subsidiary #3 (estimated amount, available after Aug 5, 2018)		\$ 30,000.00		Both Boards to adopt resolutions authorizing distribution(s)
<b>Subtotal</b>	\$ -	\$ 901,700.00	\$ -	
<b>Reduced demand on cash</b>				
Resumption of debt service payments by Kitsap Apartments, not HK			\$ 12,000.00	Will advise project investor but can be implemented by HK as General Partner immediately
Reduction in force salary savings resulting from changes in the Business and Technology Resources staffing (salary and benefits)	\$ 328,000.00		\$ 27,300.00	Already in process or completed following retirement or resignation of staff
<b>Subtotal</b>	\$ 328,000.00	\$ -	\$ 39,300.00	
<b>Program changes: a. or b. and c.</b>				
a. Payback for HK fronted expenses from PH Capital Fund and reuse these funds for future expenses		\$ 100,000.00		Capital Fund plan ammendment approved; Program guidelines already permit use without further approval by HUD; Can be implemented immediately
b. Acknowledge RAD costs to date, "sunk costs", draw on allowed \$100,000 for future project costs			\$ 20,000.00	Would be less demand on monthly cash, amounts expended/reimbursed monthly
c. Seek HUD permission for use of funds from PH Capital Fund for all future expenses is excess of \$100,000		\$ 100,000.00		If continue, can draw up to HUD approved amount. Have to request HUD permission to use additional funds
<b>Subtotal</b>	\$ -	\$ 100,000.00	\$ 20,000.00	

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**Assumptions / Notes**

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HK's ongoing tracking of cash includes projected receipts from the sale of lots in the Self Help program.

HK's ongoing tracking of cash includes projected payments resulting from the "waterfalls" of HK's component units.

For comparison, some reduction in force savings were projected in the 2017 budget

\$ 154,000.00

Amount exceeded by planned force reductions noted above

Debt service from the repayment of debt at Madrona Manor, as anticipated in the 2017 budget

\$ 14,600.00

Debt paid, reduction already in cash projections

**Subtotal** \$ 154,000.00 \$ - \$ 14,600.00

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**Phase II (possible to be implemented in FY 2019 if needed)**

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**Available cash**

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Release \$250,000 Harborside reserve to pay off 2005 bond or for operating cash

\$ 250,000.00

Would require an amendment of CLA by KC and HK's BoC

Require Kitsap Apartment (KA) to repay interfund amount for debt service that HK has carried while the property stabilized.

Estimated amount due from KA: \$342,000

Will advise project investor but can be implemented by HK as General Partner immediately

Amount reasonably drawn from project funds

\$ 150,000.00

Project could pay off debt to HK in installments over the year

**Subtotal** \$ - \$ 400,000.00 \$ -

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**Reduced demand on cash as projected in the 2018 budget**

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Operational savings are anticipated from full implementation of the new property and financial management software such as:

Unwind and/or exit component unit/partnerships

Rent increases

\$ 74,701.00

\$74,701 discussed in 2018 budget; None approved by outside agencies

Bring all properties to break even status \$ 241,912.00

Reduced debt service from Heritage and Viewmont refinance

\$ 68,000.00

\$ -

Will require partner and bond holder approval to refinance;

Additional reduction in force savings

\$ 135,000.00

\$ -

\$ -

Cannot be started until financial statements are available

Evaluate as budget requires or captured due to attrition

**Subtotal** \$ 519,613.00 \$ - \$ -



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 6.C.

**AGENDA ITEM:** Motion to approve accepting the terms offered by National Loan Acquisitions Company.

**SUBMITTED BY:** Wendy Dutenhoeffer

**TITLE:** Chief Financial Officer

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Project Narrative

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**STRATEGIC PLAN LINK:** 1.1.1

**FISCAL IMPACT:** Modification of Loan Agreement which matured on 6/10/2016. Increase of interest rate by 2.5% for 36 months and an additional 1% increase for the following 47.25 months; decrease in monthly payment (~300) for next 36 months;

**RECOMMENDATION:** Approve

**SUMMARY STATEMENT:**

Housing Kitsap's LOC with US Bank, originated in 2004 and has multiple extensions over the past 14 years, matured on 6/10/2016. The LOC was sold to National Loan Acquisitions Company (NLAC) in June 2018. NLAC has offered to extend the line of credit for 84 months (7 years) at a higher interest rate than US Bank previously offered, fully amortized.

Historically, US Bank took long periods of time to extend the line of credit. In 2016 US Bank requested a \$500k paydown. In January 2017 we were able to negotiate an extension without a paydown. US Bank failed execute the promised extension.

**RECOMMENDED ACTION:**

Motion to approve accepting the terms offered by National Loan Acquisitions Company. Once finalized a resolution will follow.

## **Project Narrative:**

Housing Kitsap initiated a \$3M line of credit with US Bank in 2004 for the purposes of funding development projects. HK owned property at Almira and Mitchell were used for collateral. The taxable rate was fully floating variable interest rate equal to US Bank's Primer Rate. The Tax-exempt rates were fully floating variable interest rate equal to a percentage of US Bank's Primer Rate. The funds requested against the LOC were requested as taxable.

## **Timeline:**

- 7/30/2004 – initial LOC term until 8/31/2006
- 8/30/2006 – LOC extended to 9/30/2006 – Resolution 2006-36 – extend option until 2011
- 8/24/2007 – LOC extended to 9/30/2009
- 6/30/2010 – Negative Pledge Agreement executed
- 6/30/2010 - LOC extended to 10/5/2010
- 4/5/2011 – LOC extended to 4/30/2011 -Resolution 2011-09
- 4/3/2012 – Resolution 2012-08 authorizing \$500,000 payment
- 1/8/2013 – LOC extended to 7/10/2013 – Resolution 2013-03
- 5/6/2014 – LOC extended to 3/10/2015 – Resolution 2014-18
- 8/18/2015 – LOC extended to 6/10/2016 – Resolution 2015-19
- 12/14/16 – US Bank requests \$500k paydown
- 1/26/17 – US Bank agrees to forgo paydown and extend loan for 2 years. States it will take some time to prepare documents.
- 6/1/18 – US Bank sells LOC National Loan on 6/1/2018.
- 6/8/2018 – First notification of sale received (see letter dated 6/5/18)
- 6/13/2018 – National Loan sends proposal for long-term modification / extension (below)
- 6/26/2018 – Requesting Board approval to move forward on a modification / extension agreement with National Loan.

**From:** Paul Peerboom

**Sent:** Wednesday, June 13, 2018 5:21 PM

**To:** Wendy Dutenhoeffer <[DutenhoefferW@HousingKitsap.org](mailto:DutenhoefferW@HousingKitsap.org)>

**Cc:** Stuart Grogan <[GroganS@HousingKitsap.org](mailto:GroganS@HousingKitsap.org)>

**Subject:** RE: LOAN TRANSFER - Kitsap County Consolidated Housing Authority

Wendy, great to chat with you...

Below is the current status of the Housing Authority loan, followed by our proposal to resolve the maturity issue through a long-term loan modification/extension.... Once you and the Housing Authority Board have reviewed the information and the proposal, please confirm that our attorney can process/document the transaction:

## **Current Loan Status:**

Principal Balance: **\$861,829.45**

Next Payment Due: **6/10/18** (We understand the 6/10 payment has already been sent to US Bank... We will work directly with the bank to obtain the payment)

Interest Rate: **4.75%** (However, Prime will change to 5.00% effective tomorrow)



Monthly Payment: **\$12,000 Principal plus Accrued Interest** (approximately \$13,300 monthly)  
Maturity Date: **6/10/2016**

**Modification/Extension Proposal:**

- Following receipt of the 6/10/18 loan payment, the principal balance of **\$849,829.45** would be paid on the following schedule:
  - 36 monthly payments of **\$13,000.00** (based on **7.50%** interest over 84.30 months)... These monthly payments would start **7/10/18**...
  - 48 monthly payments of **\$13,500.00** (based on **8.50%** interest over 47.25 months)... These monthly payments would start **7/10/21**...
  - The new Maturity Date for the loan would be **7/10/25**...
- The above payment structure is designed to provide **fixed payments** at **fixed interest rates** to **fully amortize** the loan balance over **7 years**... There will be no balloon payments due along the way....
- The loan will be **open to prepayment** without a fee or penalty...
- This modification proposal is subject to our attorney's **review of title** for the properties and **preparation of the necessary documents**... The Housing Authority will be responsible for our **legal fees/costs** to complete the transaction...
- This proposal is **non-binding** for either party at this time... There will not be any agreement until or unless the parties execute the necessary documents to bind each party...
- If a modification/extension is not ultimately agreed to, we specifically reserve our rights and remedies under the existing loan documents...

Wendy, please let me know if you have any questions... Otherwise, please confirm when you have the "green light" from the Board to move forward and we will scramble our attorney.... Thanks... -Paul

**Paul W. Peerboom**  
**Senior Vice President**  
**National Loan Acquisitions Company**  
**9126 SW Ridder Road**  
**Wilsonville, OR 97070**  
**Direct: 503-496-1976**  
**Main: 503-885-9600**  
**Fax: 503-885-9601**

NATIONAL LOAN ACQUISITIONS COMPANY

June 5, 2018

Kitsap County Consolidated Housing Authority  
2244 NW Bucklin Hill Road  
Silverdale, WA 98337

Re: Notice of U.S. Bank N.A. Loan Transfer  
Loan #: 55-0608749622-0000000059

Dear Borrower:

National Loan Acquisitions Company ("NLAC") has acquired the above referenced loan from U.S. Bank N.A. as of June 1, 2018. Your new loan number is #10138.

It is our preference that you take advantage of our free automatic payment option. Please complete the enclosed automatic payment form and return it to us at the following address:

NLAC, 9126 SW Ridder Rd, Wilsonville, OR 97070

If you do not wish to use automatic payments, please contact our office and request that a coupon book be mailed to you.

The terms of your loan agreement require that you carry insurance on the collateral for this loan. Please have your insurance agent change the mortgagee clause/lender's loss payable endorsement on your policy to read *National Loan Acquisitions Company, 9126 SW Ridder Rd., Wilsonville, OR 97070*. Fax or email the Evidence of Property Insurance (503-885-9601 or [dsteinman@nlaco.com](mailto:dsteinman@nlaco.com)) as soon as the change has been made.

If you have any questions or need additional information regarding your loan, please feel free to contact Denise Steinman at 503-885-9600 x205 or 1-866-656-9600 x205.

Regards,



Mona Copenhaver

Tax Director

503-496-1974 [mcopenhaver@nlaco.com](mailto:mcopenhaver@nlaco.com)

Enclosure

## NATIONAL LOAN ACQUISITIONS COMPANY

At National Loan Acquisitions Company you can arrange to make your payments automatically. We'll set up a convenient Automatic Bank Draft for you that will save you time, postage, and worry. As part of our agreement, you can select your draft day as long as the date selected is within the grace period as outlined in your loan agreement. Just complete the following Authorization Agreement and never worry about a delinquent payment again. Please call 1-866-656-9600 x205 if you have any questions.

### Automatic Payment Authorization Agreement

This will authorize the financial institution listed below, or indicated on the enclosed check, to honor monthly withdrawals initiated by National Loan Acquisitions Company ("NLAC") from the account specified. To ensure proper implementation, please allow 15 days to process the request. This agreement authorizes NLAC to initiate monthly withdrawals for monthly payments due on the account number indicated below. This authorization is to remain in force until NLAC has received written notice 15 days prior to cancellation, payoff, or assumption. Cancellation will automatically require that subsequent mortgage payments be made according to the terms of the note or as instructed by NLAC. This authorization does not change the terms of your loan. NLAC reserves the right to revoke this authorization in the event of; a stop payment on a draft without prior notification; the account closed without prior notification; two or more insufficient funds drafts in one year. Reinstatement in this program will be considered after a period of six months.

Loan Name: Kitsap County Consolidated Housing Authority Loan Number: 10138

Deduct my payment: ☐ on the due date or ☐ on the \_\_\_\_\_ day of each month

*(Must fall within grace period specified by your loan documents)*

Signature of Account Holder: \_\_\_\_\_ Date: \_\_\_\_\_

*(Must be authorized signer on bank account)*

Please attach a voided check or complete the following information:

Account Name: \_\_\_\_\_ Bank Name: \_\_\_\_\_

Routing or ABA Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

**Return the completed form to:**

By mail: **NLAC, 9126 SW Ridder Rd., Wilsonville, OR 97070**  
By fax: **(503) 885-9601**  
By email: **[servicing@nlaco.com](mailto:servicing@nlaco.com)**

**Please continue to mail your payments until we notify you of your first draft date.**



Zenaída Maniates  
Vice President  
U.S. Bancorp Center  
BC-MN-H22A  
800 Nicollet Mall  
Minneapolis, MN 55402  
Direct: 708.445.3274  
Fax: 612.303.4660  
usbank.com

June 1, 2018

Kitsap County Consolidated Housing Authority  
2244 NW Bucklin Hill Rd  
Silverdale, WA 98337

**Subject: Notice of Loan Sale – Loan No.: 55-0608749622-0000000059**

Dear Sir or Madam:

U.S. Bank National Association ("U.S. Bank") announces the sale of the Loan to National Loan Acquisitions Company (the "Buyer") as of June 1, 2018. In connection with such sale, U.S. Bank has assigned to Buyer, and Buyer has assumed, all of U.S. Bank's right, title and interest under the contracts, agreements or instruments relating to the Loan identified on Exhibit "A" attached to this notice (collectively, the "Loan Documents"). Enclosed with this notice are copies the Loan Documents and the payment history for the Loan as shown on U.S. Bank's records for the period ending June 1, 2018. Nothing in this notice or in any of the documents or information enclosed with this notice should be considered a billing statement. Please remit all future payments to the following address:

National Loan Acquisitions Company  
9126 SW Ridder Road  
Wilsonville, OR 97070  
Attn: Shelley Halleman


All inquiries relating to the Loan should be directed to Shelley Halleman at 503-496-1971.

Any payments relating to the Loan received by U.S. Bank on or after June 1, 2018 will be forwarded to the Buyer.

Thank you for your cooperation.

Regards,

U.S. BANK NATIONAL ASSOCIATION



Zenaída Maniates  
Vice President

**EXHIBIT "A"**  
(to Notice of Loan Sale)

**LOAN DOCUMENTS**

1. \$3,000,000 United States of America State of Washington Kitsap County Consolidated Housing Authority Revolving Line of Credit Revenue Note, 2006 Series A (Tax Exempt) dated September 29, 2006 by Kitsap County Consolidated Housing Authority to U.S. Bank National Association (the "Series A Note")
2. \$3,000,000 United States of America State of Washington Kitsap County Consolidated Housing Authority Revolving Line of Credit Revenue Note, 2006 Series B (Taxable) dated September 29, 2006 by Kitsap County Consolidated Housing Authority U.S. Bank National Association (the "Series B Note")
3. Extension Agreement Kitsap County Consolidated Housing Authority dated as of June 30, 2010 between Kitsap County Consolidated Housing Authority and U.S. Bank National Association
4. Extension Agreement Kitsap County Consolidated Housing Authority dated as of March 7, 2011 between Kitsap County Consolidated Housing Authority and U.S. Bank National Association
5. Extension Agreement Kitsap County Consolidated Housing Authority dated as of December 31, 2012 between Kitsap County Consolidated Housing Authority and U.S. Bank National Association
6. Extension Agreement Kitsap County Consolidated Housing Authority dated as of April 16, 2014 between Kitsap County Consolidated Housing Authority and U.S. Bank National Association
7. Extension Agreement Kitsap County Consolidated Housing Authority dated as of March 10, 2015 between Kitsap County Consolidated Housing Authority and U.S. Bank National Association
8. Deed of Trust dated March \_\_\_\_, 2011 among Kitsap County Consolidated Housing Authority, U.S. Bank National Association and U.S. Bank Trust Company, National Association and recorded on March \_\_\_\_, 2011 as Document No. 201105190033 in official records of Kitsap County, Washington

9. Negative Pledge Agreement dated June 30, 2010 between U.S. Bank National Association and Kitsap County Consolidated Housing Authority and recorded on November 14, 2016 as Document No. 201611140408



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 6.D.

**AGENDA ITEM:** Consideration of a motion to request the County Commissioners permit the use of Harborside reserve funds.

**SUBMITTED BY:** Stuart Grogan

**TITLE:** Executive Director

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Project narrative, CLA excerpt, location map, letters

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**STRATEGIC PLAN LINK:** Goal 1, Strategy 1.1 and Goal 2, Strategy 2.2.8

**FISCAL IMPACT:** Re-allocation of reserve funds for the sale of units to a current but related project

**RECOMMENDATION:** Authorization to submit a request to the County Commissioners

**SUMMARY STATEMENT:**

Over the past year, a resident at the Harborside project has been concerned about bank stability and has suggested that HK has an ongoing responsibility due to its' initial construction of the project and its' ownership of the shoreline parcel.

It is not clear what HK's ongoing obligations are, nor whether there are bank stability issues or what, if any remedial actions are needed. In order to do other than routine maintenance, HK would have to retain a geo tech firm to evaluate the bank and provide a report on what, if anything, would be necessary.

The reserve funds are a potential source to pay for this activity.

**RECOMMENDED ACTION:**

Adoption of a motion

**D. Consideration of a motion to request the County Commissioners permit the use of funds from the Harborside reserve funds. (Stuart Grogan)**

Attached please find copies of two letters from one of the property owners in the Harborside Condominiums who requests that HK take action to stabilize the banks below their project. The letters assert that HK must stabilize the banks because we continue to be the owners of the property, must act in order to protect public safety from any potential collapse of the side walk that runs along the edge, and that the work that was, or was not done years ago was insufficient to stabilize the slope and that HK has a continuing obligation under those permits.

While we don't necessarily agree that we have any obligation to do any work to the bank pursuant to past permit processes, we are the current owners of the property. Further, the sidewalk does not appear to be on HK property which suggests that it is not HK's responsibility to maintain. Without a full analysis of the property and any prior agreements, or the current condition of the bank and recommendations prepared by a qualified specialist in geo technical work and shoreline stability, it is difficult to move forward with anything other than the routine maintenance.

There are two properties at issue: see attachment. In the past, the Board has asked for valuations of the properties as part of a disposition. Just based on the Assessor's Records, it is difficult to find comparable parcels to determine value. The City of Bremerton has indicated that it might be willing to accept the end of 4<sup>th</sup> St as an extension of its right of way. No other party including the local tribes, the Port Authority or the City of Bremerton has expressed interest in the second site immediately below the Harborside Condominiums.

HK has a couple of options:

1. Use HK's general funds to cover routine maintenance costs and continue to look for a new owner for the property;
2. Request to fund a study of the property using funds from the reserve as provided for in the County Loan Agreement (CLA); see attached excerpts from the CLA.

As noted in an earlier Agenda Item, the reserve funds could also be used to pay off the remainder of a small tax exempt bond associated with the Norm Dicks Government Center.



Excerpts from the CLA:

3.3 The Reserve Account. As set forth in Sections 2.2 and 2.3.2 (b), the New County Loan includes the principal sum of \$250,000.00. This sum shall be placed in a segregated Reserve Account and be used only as necessary to advance the following costs and fees:

- a. The Operating Costs attributable to each unsold or unleased Harborside Condominium Unit until sold or leased, including Harborside Owner's Association dues and assessments, utilities and maintenance and repair costs.
- b. Transaction costs that must be advanced prior to the closing of the sale or lease of any of the Collateral.
- c. Unbudgeted maintenance and repair costs associated with the Collateral.

As the Harborside Condominium Units are sold, the Reserve Account balance may be reduced to a mutually agreeable sum as the Parties deem reasonably necessary. All excess funds in the Account shall be paid to the County.

#### **SCHEDULE B**

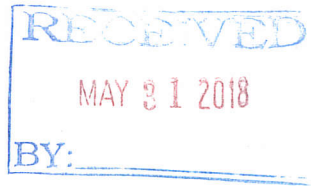
<b><u>Remaining Collateral</u></b>	<b><u>Description Lien Position</u></b>
Six (6) Harborside Condominium Units (including any additional Harborside parking spaces)	1st
Olhava Property (raw land)	1st
Vikings Crest View (raw land)	2nd
Maintenance Building	3rd

# R. S. Chwaszczewski

360 Washington Avenue, Unit 90 • Bremerton, WA 98337 • Phone: 360-932-3196  
E-Mail: [chwasz@outlook.com](mailto:chwasz@outlook.com)

Date: 17 May 2018

Mr. Stuart Grogan  
Executive Director  
Housing Kitsap  
2244 NW Bucklin Hill Rd  
Silverdale WA 98383



Dear Mr. Grogan,

**Summary:** In February 2007 Housing Kitsap submitted a contradictory and misleading status report to the US Department of Housing and Urban Development (DHUD) on the Harborside Condominiums. Specifically, Housing Kitsap portrayed “an imminent danger to public health and safety” as resolved when its remediation was temporary. The 2005 stabilization of parcel 132401-3-207-2007 that was performed under an “emergency exemption” remains unresolved today despite a Housing Kitsap proposal to install a riprap revetment to protect this area of high geologic hazard.

**Background:** On 18 February 2018, I initiated a Freedom of Information Act (FOIA) request for copies of records related to DHUD Economic Development Initiative (EDI-SP) Program Grant number B-04-SP-WA-0869 awarded to the Kitsap County Consolidated Housing Authority (KCCHA) for the Harborside Condominiums and Public Access Project in Bremerton, Washington. I sought documentation to support and complement public records from Housing Kitsap and the City of Bremerton, Department of Community Development (DCD). The results of this research raised questions about Housing Kitsap’s commitment to resolving the shoreline violations described in my letter of 9 January 2018.

**Discussion:** Among the local public records I reviewed were draft progress reports for a \$250K Federal grant. The FOIA response provided signed copies of these reports. Two discussed “undermine caves” that threatened the project. Housing Kitsap used a portion of these DHUD funds to promote bank stability as described in the March 2006 progress report:

*“Undermine caves, that were discovered during the preliminary planning stages, were also addressed in late 2005. Due to the caves and the shoreline erosion occurring at the foot of our high-bank bluff, preventative measures were taken to ensure bank stability. At the discretion of Terra Associates and with the help of the Washington State Department of Fish and Wildlife, the City of Bremerton, and GeoEngineers, the cave and bank stabilization was completed without error. Work included filling the undermines with shotcrete as well as using shotcrete at the foot to create a sea-wall to prevent further erosion. On the bluff above the undermines, Madrona trees that had grown horizontally out of the bank were cut back to remove excess weight on the bank. The bank stabilization is only a temporary fix. As the City of Bremerton begins to make utility improvements along the beach on our east bank, a permanent solution towards stabilizing the bank will be addressed.”*

This description is accurate and consistent with other documents but for one minor exception. Housing Kitsap claimed that cave discovery occurred during preliminary planning. Earlier documents confirm discovery during construction following Shoreline Substantial Development Permit (SSDP) approval. DCD chided Housing Kitsap for failing to conduct a thorough survey. DCD granted an “emergency exemption” and required a new SSDP for a permanent solution.

The report’s last sentence links the permanent fix to the unknown schedule for another public project. This deferral was worrisome as any delay exposed the public and the project to prolonged risk. Knowing that Housing Kitsap did not apply for a new SSDP or permanently stabilize the bank prompted the FOIA request to discover when and why these requirements went unmet.

In the February 2007 closure report, Housing Kitsap offered a contradictory and inaccurate account that implied completed action on the caves:

*"Following our mass excavation, small undermine caves were discovered along the shoreline at the northeast corner of the project site. Upon discovery of the caves, Art Anderson & Associates (AAA), a Washington State certified engineering firm, was hired to examine and determine corrective action for the caves. AAA determined that the small caves posed no structural risk to the project site and recommended that the caves be filled with shot-crete to prevent any further undermining. The caves were filled by Johnson Western Gunnite, a sub-contractor to Absher Construction Company, with high density shot-crete."*

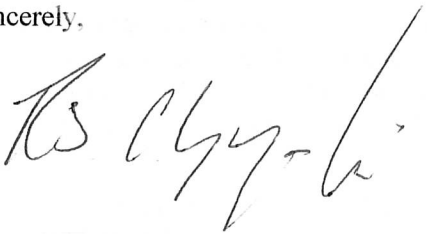
The noteworthy elements of this description are:

1. Admitting that discovery followed excavation. This corrects the timeline.
2. Minimizing the scope of the repair. The largest cave was 10' high, 15' wide, and 10' deep. Filling all three caves required 12 truckloads (120 yd<sup>3</sup>) of shotcrete, enough concrete for a 2,000 ft<sup>2</sup> home with full basement. While this is modest compared to the amount of concrete used in the condominiums' construction, the choice of language diminishes the work scope and impact.
3. Misstating the condition of bank stability. This section is the most perplexing especially in light of earlier reports. Terra Associates wrote the Harborside's geotechnical report, performed analyses of bank stability, and made recommendations for corrective actions. Terra Associates provided the assessment in support of the "emergency exemption," citing the caves as "an imminent danger to public health and safety." AAA, specialists in naval architecture, marine and civil engineering, were members of the remediation team cited in the March 2006 report. They designed the seawall. Stating that AAA determined "that the small caves posed no structural risk to the project site" is unsubstantiated. It contradicts the previous narrative. It is a technical judgement outside of their tasking and expertise. However, taken alone, it connotes finality.
4. Creating a false impression. Given the affirmation of structural integrity and the omission of action items, reviewers would conclude that the correction actions were sufficient and permanent.

**Conclusion:** In my opinion, the results of the DHUD FOIA request reflect the gaps in senior staffing at Housing Kitsap and a concomitant discontinuity in project history. I do not find it an attempt to sidestep DCD direction or avoid achieving a permanent solution. It is a stratagem to close the books with DHUD. However, the potential danger from continuing erosion mandates further research into bluff records to compel action. Organizing the facts helps one understand how Housing Kitsap found itself in violation of the Shoreline Management Act and why the bluff is an increasing risk to public safety. It does not explain the 12-year delay in curing the violation and protecting the area from landslides. Therefore, I reiterate my request that Housing Kitsap take immediate and urgent action to eliminate this risk before further sloughing undermines buildings on the waterfront.

As a postscript, I appreciate your cooperation in maintaining bluff vegetation and acknowledge your professionalism in pursuing a satisfactory conclusion.

Sincerely,



R. S. Chwaszczewski

Email Copies: Housing Kitsap Commissioners, City of Bremerton Mayor



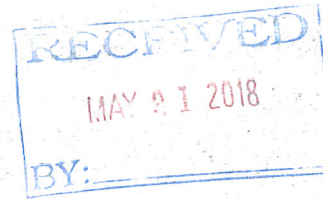
# R. S. Chwaszczewski

360 Washington Avenue, Unit 90 • Bremerton, WA 98337 • Phone: 360-932-3196

E-Mail: [chwasz@outlook.com](mailto:chwasz@outlook.com)

Date: 18 May 2018

Mr. Stuart Grogan  
Executive Director  
Housing Kitsap  
2244 NW Bucklin Hill Rd  
Silverdale WA 98383



Dear Mr. Grogan,

I am writing to report a new slide on the bluff and convey my concern over the higher risk to public safety.

The slide is immediately above the largest of the three caves filled with shotcrete in 2005. Figure 1 shows the slide area as viewed from the quay at the north entrance to the marina. The sloughing in this area has covered the shotcrete used to fill the 10' by 15' cave opening. Figure 2 is a view of the 2018 slide looking up from the tidelands. The amount of slope regression and its proximity to the public walkway is concerning, particularly in light of geotechnical recommendations ignored during the City of Bremerton's review of the original Shoreline Substantial Development Permit (SSDP) application.



Figure 1 – View from Marina Quay



Figure 2 – View from the Tidelands at Low Tide

Housing Kitsap applied for an SSDP on 31 December 2003. The geotechnical report (December 2003) was one of the many documents reviewed. One aspect of this report was the placement of the stairway leading from 4th Street to the planned walkway. When the stairway was curved and no closer than 12 feet from the crest of the near-vertical slope along the beach, Terra Associates did not expect that natural erosion would affect bank stability or require mitigation to reduce or prevent toe erosion. In late May 2004, as a last step

in the Site Plan Review, Housing Kitsap asked Terra Associates "to verify that the plans (were) in conformance with the geotechnical recommendations..." Terra Associates discovered that they were not.

In their 1 June 2004 reply, Terra Associates noted a revision to the 4<sup>th</sup> Street stairway that caused it to come within 5.5 feet of the crest. This placed the stairway "at greater risk of impact from natural slope regression that has already formed this near-vertical bank" adding that "the slope will regress with time unless mitigation measures, such as a bulkhead or other means, are put in place to prevent the natural beach erosion process." The increased risk was sufficient to cause Terra Associates to recommend that "the stairway be re-positioned as originally planned and shown on the site plan used in our referenced geotechnical report."

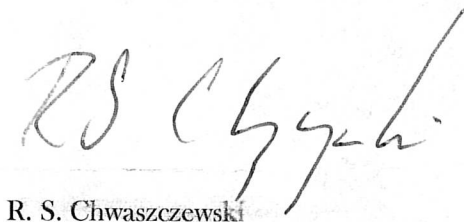
Normally, geotechnical recommendations are seriously regarded and heeded. They are not rejected or ignored without a sufficient technical rationale. Public records provide no insight on how the recommendation was reviewed or why it was approved. The evidence indicates that the recommendation was ignored. The SSDP was approved on 7 June 2004 with no apparent change in the staircase location or configuration. Fifteen months later, the risk predicted was realized when the undermine caves threatened the bank and the project.

My 9 January 2018 letter reviews the timeline of actions for temporary slope stabilization following cave discovery. Despite all the relevant supporting correspondence, none of it discusses repositioning the stairway to reduce the heightened risk. There is no mention of the earlier geotechnical advice. Housing Kitsap had an opportunity to correct the earlier decision but did not do so. Housing Kitsap proceeded with a stairway design that lacked geotechnical blessing and was subject to the effects of aggravated erosion.

The 2018 slide implies accelerated slope regression. The 12-year delay in permanent slope stabilization demonstrates neglect of a threat to public safety. I have a recommendation and a request:

- I recommend that the City of Bremerton and parties to the associated easement consider blocking pedestrian traffic on the 4<sup>th</sup> Street stairway.
- I request that Housing Kitsap take immediate and urgent action to eliminate this public risk before further sloughing undermines property on the waterfront.

Sincerely,



R. S. Chwaszczewski

Email Copies: Housing Kitsap Commissioners, City of Bremerton Mayor



### Search Options

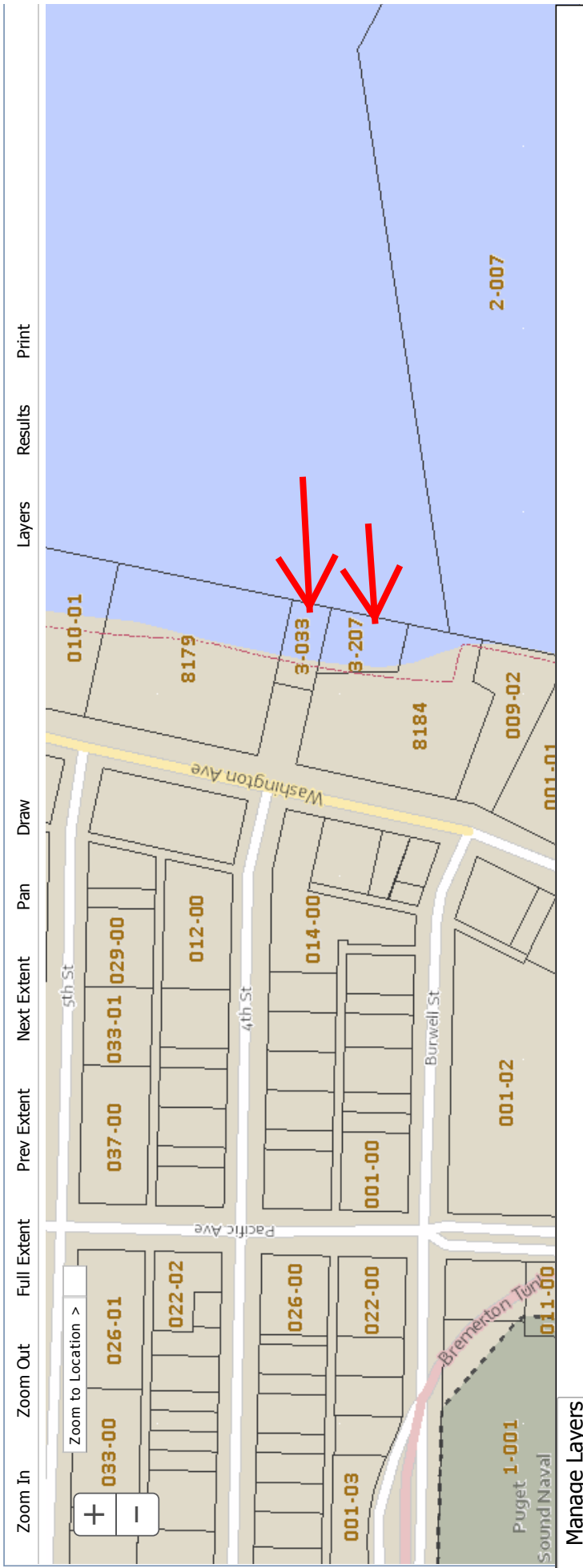
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### Parcel Search

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Map Scale: 1 : 2,400

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## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 6.E.

**AGENDA ITEM:** CONSIDERATION OF A MOTION TO APPROVE DISSOLUTION OF LIBERTY BAY AND DYE'S GOLDEN TIDES III LIMITED PARTNERSHIPS

**SUBMITTED BY:** Lisa Glaeser

**TITLE:** Finance Project Manager

**Reviewed and approved for inclusion in the packet by:** Stuart Grogan, Executive Director

**ATTACHMENTS:** Details regarding the proposed dissolution.

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**STRATEGIC PLAN LINK:** Goal 1, Strategy 1.1

**FISCAL IMPACT:** Dye's Inlet / Golden Tides III and Liberty Bay projects would become HK properties thereby eliminating superfluous financial statements and tax returns

**RECOMMENDATION:** Approve partnership dissolution

**SUMMARY STATEMENT:**

HK Communities, Inc., a wholly-owned entity of HK, was originally created in 2015 to assume Key Bank's limited partnership role and simplify the exit transaction by maintaining the original partnership structure when Key Bank exited and gifted the Dye's Inlet/Golden Tides III project to HK.

Subsequently, HK used that same partnership structure for the Heritage and Viewmont exits which occurred December 31, 2017. HK also plans to use that limited partnership structure when ECI exits the Liberty Bay Apartments partnership on September 30, 2018.

The HK and HK Communities partnership structure streamlines the exit process, but post exit, provides no significant benefits. Our LIHTC counsel, Jeff Nave at Foster Pepper, advises that it would benefit HK to now dissolve the HK and HK Communities partnerships for Dye's Inlet/Golden Tides III and Liberty Bay (post-exit). The projects would then become HK properties,

Details regarding the proposed partnership dissolution are included for the Board.

**RECOMMENDED ACTION:**

Motion to approve dissolution of Liberty Bay and Dye's Golden Tides III Limited Partnerships

**E. Consideration of a motion to approve dissolution of Liberty Bay and Dye's Golden Tides III Limited Partnerships. (Stuart Grogan)**

As the Board may recall, HK Communities, Inc., a wholly owned entity of Housing Kitsap (HK), was created in 2015 to assume Key Bank's limited partnership interest when Key exited at the end of the 15-year LIHTC compliance period. At that time, Key gifted the Dye's Inlet/Golden Tides III project to HK. Creating HK Communities and maintaining the original partnership structure allowed HK to streamline the exit transaction and forego the time and expense of the approval process required by WSHFC and other lender requests.

Subsequently, HK used that same partnership structure for the Heritage and Viewmont exits which occurred December 31, 2017. HK also plans to use that limited partnership structure when ECI exits the Liberty Bay Apartments partnership on September 30, 2018.

Although the HK and HK Communities partnership structure streamlines the exit process, post-exit it provides no significant benefits and requires additional time and expense in the preparation of separate financial statements and partnership tax returns. Our LIHTC counsel, Jeff Nave at Foster Pepper, advises that it would benefit HK to dissolve the HK and HK Communities partnerships for Dye's Inlet/Golden Tides III and Liberty Bay (post-exit). The projects would then become HK properties, similar to 550 Madison, Orchard Bluff, and others.

The proposed dissolutions would be timed to begin promptly after Liberty Bay's scheduled exit, originally planned for June 30, but now delayed until September 30, 2018. All documents will be prepared in advance, and after submission, the dissolutions should be finalized within six to eight weeks and timed to occur in conjunction with the end of the quarter end at December 31, 2018.

The legal costs associated with the partnership dissolutions would normally average \$10,000 per project in addition to the \$2,500 WSHFC transfer fee. Counsel suggested that if both the Dye's Inlet/Golden Tides III and Liberty Bay dissolutions are done together with documents drafted by HK staff from templates provided, then reviewed and completed by Counsel, there would be significant savings of \$2,500 or more per project.

HK proposes to pay for the partnership dissolution with funds available in the projects' reserve accounts. The lenders for those two projects do not stipulate that reserves be held for the accounts, and Jeff Nave has advised that HK can legally use the reserve funds for the purpose of dissolving the partnerships. The reserve fund balance for Dye's Inlet/Golden Tides III is approximately \$52,000; Liberty Bay has approximately \$65,000 in their reserve fund and a positive cash flow of approximately \$12,500 monthly. There are no significant repairs needed on either of the projects per Holly Paterson.

No documents have been prepared at this time, but those will be provided to the Board for review once they are drafted.





## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 6.F.

**AGENDA ITEM:** CONSIDERATION OF A MOTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT FOR THE CONSTRUCTION OF LOTS AT SHERMAN RIDGE WITH PORT MADISON ENTERPRISES

**SUBMITTED BY:** Dean Nail

**TITLE:** Director of Single Family Housing

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Draft contract

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**STRATEGIC PLAN LINK:** Goal 2 Strategy 2.2 Task 2.2.5

**FISCAL IMPACT:** \$1.2 million from Self-Help funds

**RECOMMENDATION:** Approve

**SUMMARY STATEMENT:**

On March 6, 2018, the Board approved Resolution 2018-03 which allowed for the application of a loan to provide for the development of the lots at Sherman Ridge for the Self Help program. That loan has been approved.

HK issued a Request for Proposals for construction in early 2018. Port Madison Enterprises was selected from the responding firms. HK has been working with that firm to draft a final agreement (see attached).

The grading and site work permit has been approved and issued by the City of Port Orchard. Upon approval, the general contractor would begin construction the week of June 25, 2018.

**RECOMMENDED ACTION:**

Approval of a motion



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 6.G

**AGENDA ITEM:** CONSIDERATION OF A MOTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE LOAN DOCUMENTS WITH THE RURAL COMMUNITY ASSISTANCE CORPORATION (RCAC) FOR THE CONSTRUCTION OF LOTS AT SHERMAN RIDGE

**SUBMITTED BY:** Dean Nail

**TITLE:** Director of Single Family Housing

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Draft loan documents

**STRATEGIC PLAN LINK:** Goal 2 Strategy 2.2 Task 2.2.5

**FISCAL IMPACT:** \$ 600,000, if needed, and to be repaid from the sale of lots

**RECOMMENDATION:** Approve

**SUMMARY STATEMENT:**

On March 6, 2018, the Board approved Resolution 2018-03 which allowed for the application of a loan to provide for the development of the lots at Sherman Ridge for the Self Help program. Self Help funds will be used for the construction of the subdivision. However, the availability of funds from the sale of lots can be unpredictable. In the event that funds are not available, this loan will insure there are resources to pay for any work that is completed by the contractor. Any outstanding balance would be repaid from the sale of lots.

The grading and site work permit has been approved and issued by the City of Port Orchard. Upon approval, the general contractor would begin construction the week of June 25, 2018.

**RECOMMENDED ACTION:**

Approval of a motion to authorize the Executive Director to execute all of the documents necessary for a construction loan for Sherman Ridge



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 7.A.

**AGENDA TITLE:** Executive Director Update

**SUBMITTED BY:** Stuart Grogan

**TITLE:** Executive Director

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Monthly summary

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**STRATEGIC PLAN LINK:** Supports Goals 1 - 5

**FISCAL IMPACT:** None, update only

**RECOMMENDATION:** None

**SUMMARY STATEMENT:**

The attached report provides an update on the Executive Directors activities from the prior month including announcements, updates on pending legislation, and areas of potential risk to HK.

**RECOMMENDED ACTION:**

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.

## **A. Executive Director (Stuart Grogan)**

1. The following is a brief summary of the activities I have been involved with since the last meeting of the Board:

- Development:
  - Rental Assistance Demonstration (RAD) project:
    - Three public meetings with residents at scattered sites, Nollwood and GT-1;
    - Monthly call with RAD transaction manager;
  - Suzuki:
    - Consultation with a partners on development planning;
  - Liberty Bay:
    - Planned for partnership unwind;
  - GT-3/Liberty Bay:
    - Planned for partnership unwind;
  - Harborside:
    - Plan for response/review and implementation;
  - Orchard Bluff
    - Declined expression of interest to buy property;
    - Declined offer to buy parcel next to property;
  - Staff:
    - Terminated project manager recruiting process;
- Real Estate Management and Housing Programs (REMHP):
  - Staff:
    - Regular meeting and informal meetings with program director;
      - Review and follow up on complaints;
      - Review and discuss any HR issues;
- Business and Technology Resources (BTR):
  - Software:
    - Attended MRI/BP launch discussions and phone calls;
  - Audit:
    - Meetings with the auditor and with the auditor and the Board chair following their second visit to HK to complete their analysis ;
  - Heritage and Viewmont:
    - Work with staff to insure tax returns completed as soon as possible;
  - New Market Tax Credits:
    - Participated in launch call with Subsidiary #3 participants to plan exit for shortly after the end of the compliance period of August 5,2018;
  - 2007 Bond:
    - Completed analysis and submitted response to inspector during site visit;
    - On June 20, we received a letter indicating that the audit is closed, no issues were identified, and no further action is required.
  - Attended and supported NDGC owners association meeting;
  - Staff:
    - Regular meeting and informal meetings with program director;
    - Review and discuss any HR issues;

- Self Help:
  - Planning for Sherman Ridge start of construction;
  - Poulsbo/HK joint project concept meetings with potential partner
  - Staff:
    - Regular meetings and informal meetings with program director;
- Office management:
  - Public Records:
    - Check in regarding status of any outstanding public records requests;
  - 2244:
    - Restriping and pavement sealing completed;
  - Regular with weekly meeting with administrative staff;
- General:
  - BASIC:
    - The Board meeting was not held because little to no action had been taken on the proposed plan for community outreach for new Board members. Staff proposed that because the lack of progress and the end of the final NMTC subsidiary, that BASIC be either dissolved or transferred to another purpose such as the tiny cottages project;
  - NMTC:
    - Began planning for a final board meeting by mid Aug following the exit of partners from Subsidiary #3, and the dissolution of New Market Tax Credit Facilitators;
  - Advocacy and community participation:
    - City of Bainbridge Island Affordable Housing Task Force meetings;
    - Home Share program follow up with sub-group;
    - Homes for All monthly meeting;
    - S. Kitsap meeting of faith community leaders interested in both advocacy and a potential project;
    - National Night Out event at Marvin Hale center;
    - Leadership Kitsap graduation event on June 20;
  - Training:
    - Continued work on “HK 4.O: A Journey on High Kick Highway” to complete the initial round of comments;
    - Bi-annual all staff meeting and training on June 22;
  - Board:
    - Pre Board meeting with Chair to review issues and agenda;
    - Special meeting with the Board to review HK’s financial condition;
  - Staff:
    - Regular weekly meetings with senior staff;
    - Participated in interviews for senior accountant and HR manager;
  - Executive Director:
    - Out of office for a few days for annual leave;
  - Signed
    - Routine checks as second authorized signator;
    - Executed insurance annual renewals;
    - Authorized final packet for submission to CDBG grant program;

- Contract for services with legal counsel specializing in mobile homes;
- Confirmed routine wire transfers for debt service;
- Agreements for copiers and services at sites;
- Conferences and training;
  - Attended training with all staff in cooperation with the Bremerton Housing Authority on Fair Housing;
  - Attended Leadership Kitsap's Class of 2018 graduation ceremony that included HK's former resident services manager, Laura Daley. HK will sponsor Freddie Linares, REMHP's compliance manager in the 2019 class.

2. On April 17, 2018, board members attended a tour of properties in South and Central Kitsap which was a very positive introduction to part of HK's portfolio. A North Kitsap tour would be a discussion only meeting to see one of the RAD sites, see some of HK's properties, and see some of the in progress and recently finished Self Help housing sites.

So far, we have been unable to land on a date. Staff will continue to work with board members and their staffs to reschedule the tour.

The following is a preliminary itinerary for the tour/ meeting:

<b>2018 Board Retreat / North Tour</b>			
<b>TBD</b>			
<b>Start</b>	<b>End</b>	<b>Location</b>	<b>Activity/Goal</b>
11:00 AM		Poulsbo City Hall	Meet
		<b>Bainbridge</b>	
		<b>Finch</b>	
		<b>550</b>	redevelopment
		<b>Rhododendron</b>	Comm ctr
		<b>Kingston</b>	
		<b>Lola Meadows</b>	SH/recently completed
		<b>One Maple</b>	SH/under construction
		<b>Kingston Ridge</b>	Rental
		<b>Poulsbo</b>	
		<b>Summerset</b>	Recently completed
		<b>Windsong</b>	
		<b>Fjord Manor</b>	
		<b>Fjord Vista II</b>	
		<b>Austerbruin</b>	RAD disposition site
		<b>Olhava</b>	Future development
		<b>Vikingcrest/CoP site</b>	Future SH site
	3:00 PM	<b>Poulsbo City Hall</b>	



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 7.B.

**AGENDA TITLE:** Business and Technology Resources (BTR)

**SUBMITTED BY:** Wendy Dutenhoeffer

**TITLE:** Director of BTR

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:**

Division update
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**STRATEGIC PLAN LINK:** Supports Goals 1-5

**FISCAL IMPACT:** None, update only

**RECOMMENDATION:** None

**SUMMARY STATEMENT:**

The attached report provides an update on all of HK's efforts within this program including the software conversion, annual budget, asset management and repositioning, human resources and information technology.

**RECOMMENDED ACTION:**

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.
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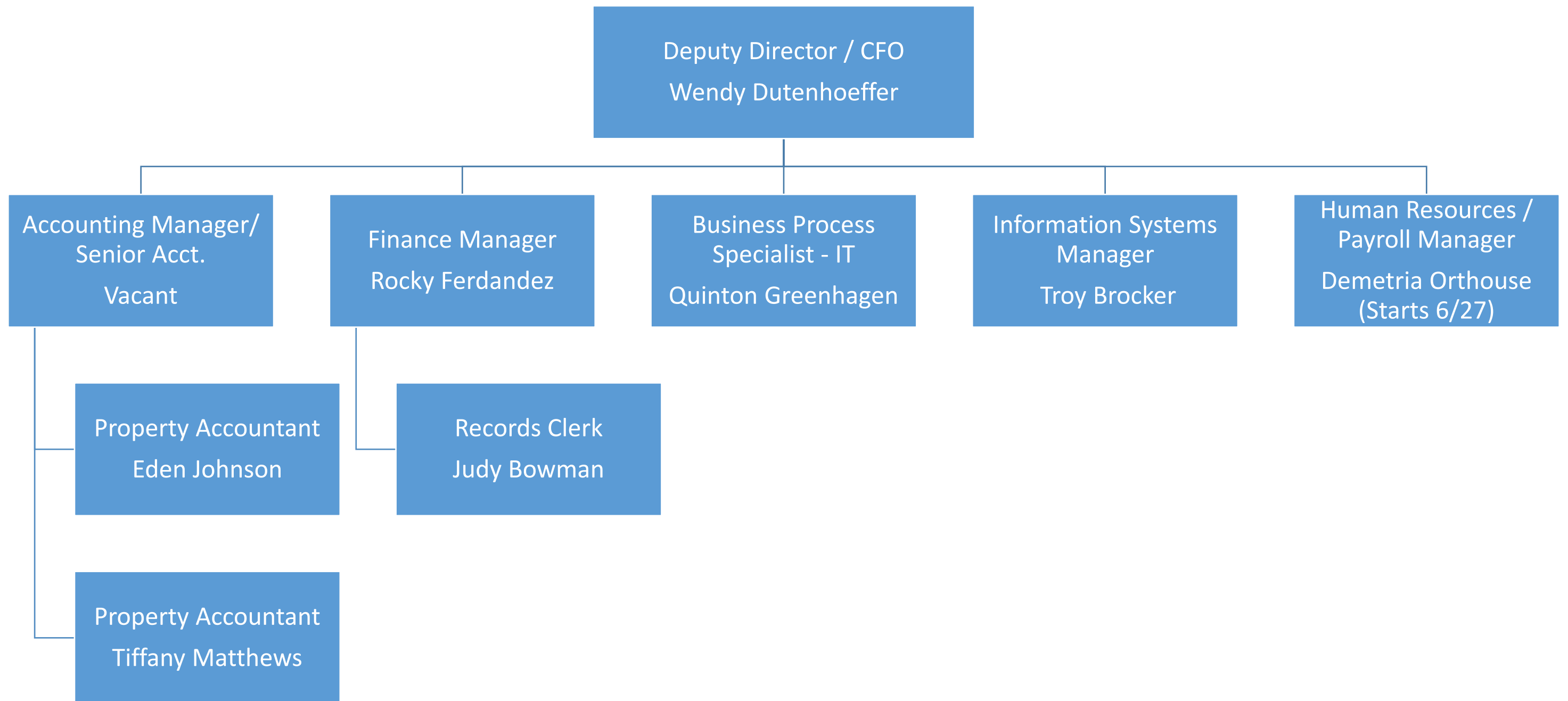


## **B. Business & Technology Resources (Wendy Dutenhoeffer)**

1. The following lists provide information on our team's current and ongoing projects:

- General:
  - Department restructuring complete, though still under evaluation (see attached org chart). The senior accountant role is still vacant – a candidate was identified, but they did not pass the background check. Recruiting for this position continues. There are 4 temporary accounting professionals working to ensure ongoing operations as well as validating data for MRI Financials and preparing accurate financial reports.
  - Debt / Financing – US Bank sold Housing Kitsap's Line of Credit workout loan to National Loan Acquisitions Company (NLAC). US Bank had agreed to extend the loan, but did not do so before it was sold. NLAC is offering a long-term modification / extension. See attached Agenda Item / Project Narrative.
- Budgets:
  - The 2019 budget is available for review and comment.
- MRI Financials:
  - There have been several meetings with the MRI Financials team and we are making slower than anticipated, but accurate progress. See attached schedule.
- Human Capital Management:
  - Recruited and on-boarded 3 new staff members. We are currently recruiting for a senior accountant, maintenance tech and property manager.
  - Recruiting and evaluation sections of the HR software were implemented.
  - First Aid and CPR training complete
  - Upcoming Projects
    - Training plan
    - Onboarding
    - Creating "development plans" in lieu of "performance reviews"
    - People first philosophy
    - Code of Conduct
- Information Technology:
  - Selected intranet software and included it in the 2019 budget request.
  - Requesting bids for internet service at 2244 NW Bucklin (contract expires 12/2018).
  - VOIP Phone Conversion
    - Working through steps needed to deploy ShoreTel phones via a VOIP system to all property sites.
  - We are analyzing current costs against projected costs, internet service speed and fax requirements at all property sites.
  - Website
    - Website updates are complete and in the review process before going live with the new site.
    - Internal Controls –rewriting job descriptions to encompass responsibility for internal controls and policy and procedure updates.

- Records:
  - Offsite archive organization
    - Washington State Archives office is not available to have records archives organized. Looking at alternatives.
  - Fulfilled public records requests
    - Internal – 0
    - External – 3
  - Request in progress:
    - Internal – 0
    - External – 2





## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 7.C.

**AGENDA TITLE:** Mutual Self-Help

**SUBMITTED BY:** Dean Nail

**TITLE:** Director of SHOP

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Program update

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**STRATEGIC PLAN LINK:** Supports Goals 1-5

**FISCAL IMPACT:** None, update only

**RECOMMENDATION:** None

**SUMMARY STATEMENT:**

The attached report provides an update on all of HK's efforts within this program including an update on the boundary review currently in process at the Department of Rural Development (RD) and each of our current construction sites.

**RECOMMENDED  
ACTION:**

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.

### **C. Single Family/Self-Help (Dean Nail)**

1. Mutual Self-Help Housing (MSH) by the United States Department of Agriculture Rural Development (USDA RD):
  - We met with USDA RD in Olympia this quarter. The program is in good shape with the reduction of the indirect cost rates, which puts us on track to meet our production goal and complete our grant funds, both will occur in October 2019.
2. Community Frameworks (CF) Self-Help Opportunity Program (SHOP):
  - HUD has announced SHOP awards for 2018. CF received funds and requested an updated pipeline report from HK, which we provided to them and will use these funds for the remaining balance of Sherman Ridge. All other HK Self-Help projects are fully funded by SHOP.
3. Sherman Ridge, Port Orchard:
  - Contracts between HK and Port Madison Enterprises are down to the details. The city of Port Orchard has requested PSE's joint trench design to be submitted showing the relocation of power poles in the landscaping. Unfortunately, PSE is backlogged, but is aware this is a permit condition and has expedited the design to the extent possible.
  - We submitted for the grading permit to begin construction, while we wait for PSE power design.
4. Maple Lane, Kingston:
  - Construction of Maple Lane Group 1 will likely be completed in September, 2018.
  - The loan assumption (Lot 5) is scheduled to close on June 28, 2018. This is the replacement loan for the Maple Lane Group 1 member, who was voted out by the group due to violating the Group Labor Agreement required hours..
  - Maple Lane Group 2 is under construction. The foundations are continuing to go in and they are getting ready for the next phase of construction.
5. Prosperity Place, Port Orchard:
  - Prosperity Place Group 1 closed on May 17, 2018 and are now under construction.
  - Prosperity Place Group 2 loan packages have all been submitted to USDA and waiting for underwriting approval. We expect to close and start building Group 2 in August/September of 2018.
6. Down Payment Assistance (DPA) Program funded by the Community Development Block Grant (CDBG) Program:
  - DPA contracts are being routed to HK before the CDBG presentations this year. We received a tremendous amount of program income this past year from loans that were paid off.

7. Single Family Loan Servicing:

- We requested our attorney from Kitsap County to review HK's loan documents in order for us to proceed with collections on outstanding loans. Also, we have a new Loan Modification Agreement that needs legal review. Due to their backlog, these requests are a low priority.
- Housing Kitsap's Home Rehabilitation Program (CDBG Rehab.):
- HK-Single Family Housing Department submitted the Stage 1 CDBG Coordinated Grant Application for the overall agency on June 1, 2019. We will be notified on June 28, 2018, if we are eligible to enter into the Stage 2 grant application process, which would include grant applications for HK's Home Rehabilitation Program, Housing Stabilization Program and potential Park Place Apartments Repair – Phase 3.
- The new contract is in the process of being signed by the Kitsap County and we expect to review the funds this month.
- The rehab projects are moving forward and we are spending our grant funds in a timely manner.

8. Other Potential Plats:

- The city of Poulsbo and Housing Kitsap are meeting with Central Highland Builders to discuss a partnership to develop surplus property. There is the potential to produce 25 lots for Mutual Self-Help, two large homes for the city and 25 market rate homes. We are in the early stages of discussions; Mayor Erickson and I will keep you up-to-date with any progress.
- Mason County is an eligible area for our Mutual Self-Help program. We continue to have conversations with a landowner for a possible 120 lot plat, which is close to the Mason/Kitsap border. Mason County sewer has a lot of capacity and is looking to expand its connections; this property is about one mile away from sewer and but will have a significant impact to the cost to the project. We will keep this property on our radar, but it is not a project that will come together soon.
- Central Highland Builders has an opportunity to purchase a 93 acre parcel in Kitsap County. The location of the property is in an eligible area for USDA and a very desirable location for our program and its participants.
- There is an 8.4 acre parcel on Bethel Road, outside of the City of Port Orchard, which is listed at \$381,000. This property has the potential of 40+ lots. Water and Sewer are served by the city of Port Orchard and the connections are on Bethel Avenue and not easily accessed, so this will make the connections complicated.
- There is potential property located in Kingston and may become available later this year. HK is talking with the seller, who is interested in converting part of the land to a county park, buildable lots and add to the existing wetland conservatory. It looks interesting and we will continue conversation with the potential seller.

9. Other Business:

This month, I attended the 3<sup>rd</sup> Annual Affordable Homeownership Conference in Tukwila and met some amazing people, who are working hard to preserve affordable homeownership and create new affordable housing.

- Discussions took place on how to reduce the cost to develop condominiums by limiting the liability of the builders, settlements to be used for repairs and limit attorney's fees. These changes would allow the opportunity for builders to correct the defects, define a better definition of the defects, and avoid keeping a study open for years.
- Increased property values can impact seniors and low-income families, there is a "Preventing Tax Lien Foreclosure" State Bill that would change the flat \$40,000 per year income maximum to a variable table that follows area medium income for each community; this combined with other deferral programs would help reduce the amount of tax foreclosures. Other changes to the foreclosure process would allow all lienholders to make claim, not just the lien holder in first position.
- State Bill 5647 approved a new Home Repair Program, similar to our countywide home repair program. This new program could be another possible source of funding to support and/or expand HK's Home Rehabilitation Program.
- We talked about the organization, Grounded Solutions Network and Enterprise Opportunity 360, which provides tools and resources for affordable housing.
- Accessory Dwelling Unit (ADU) was also a big topic of discussion. Representatives from the city of Seattle and surrounding areas are looking at how Vancouver and Portland are addressing the costs to add buildings, convert garages or attics to single family zoning. There are several start-up companies providing funds and units for new construction. This could be a potential new program for the Single Family Housing team under a possible CDBG grant. We would provide assistance and funding to homeowners to create low income rental housing in existing communities.



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 7.D.

**AGENDA TITLE:** Development Update

**SUBMITTED BY:** Stuart Grogan

**TITLE:** Executive Director

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Development update

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**STRATEGIC PLAN LINK:** Goal 2

**FISCAL IMPACT:** None, update only

**RECOMMENDATION:** None

**SUMMARY STATEMENT:**

The attached report provides an update on the development projects currently in progress by Housing Kitsap including:

- (1) Rental Assistance Demonstration Project (RAD)
- (2) Suzuki
- (3) Olhava

**RECOMMENDED ACTION:**

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.



## **D. Development (Mike Brown / Stuart Grogan)**

The Development program consists of several active and pipeline projects. They are listed below in priority, order of importance to the organization. Updates on select projects will be provided on a monthly basis:

### **1. Rental Assistance Demonstration (RAD) project:**

A number of steps have been taken during the past month in order to implement the RAD conversion including the following:

- Monthly calls with the Department of Housing and Urban Development's (HUD) Transaction Manager where we amended the schedule (see attached) to accommodate delays and changes in programming from:
  - Switch to FHA bonds rather than a traditional private placement because of the terms (lower interest rate, longer term, streamlined processing under RAD);
  - Need to engage the FHA underwriting service, \$20,000, to prepare and submit application(s) for the two bonds;
- Continued meetings, project scoping and design direction with the consulting team;
- Issuance of the solicitation for a low income housing tax credit investor; and
- Hosted three meetings with residents.

### **2. Suzuki:**

On June 5, 2018, the City Council of the City of Bainbridge Island (CoBI) approved a development services agreement with Olympic Property Group (OPG). This agreement is somewhat different than initially planned. In the current approved agreement, the CoBI has hired OPG to lead and manage the planning process and they will pay for those services using their own funds.

HK and Housing Resources Bainbridge (HRB) are still planning to be involved on several levels as follows:

1. Consult on project design, unit types and mix, and affordability;
2. Raise funds to develop the project following approval of the entitlements;
3. Own and manage the property as affordable housing after the completion of construction.

HK's immediate responsibilities are to track the funding processes and prepare and submit grant applications as soon as there is an opportunity.

### **3. Olhava redevelopment:**

On hold pending identification of a permanent funding source and staff capacity to focus on this project.



## Board of Commissioners

### Agenda Item Summary

**MEETING DATE:** June 26, 2018

**AGENDA ITEM:** 7.E.

**AGENDA TITLE:** Real Estate Management and Housing Programs (REMHP) Update

**SUBMITTED BY:** Holly Paterson

**TITLE:** Director of REMHP

**Reviewed and approved for inclusion in the packet by:** Executive Director

**ATTACHMENTS:** Program update.

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**STRATEGIC PLAN LINK:** Supports Goals 1-5

**FISCAL IMPACT:** None, update only

**RECOMMENDATION:** None

**SUMMARY STATEMENT:**

The attached report provides an update on HK's properties and programs.

REMHP staff attempted to complete performance reports for the portfolio, however, with the state of our current software and reports we are not confident in over half of the information and were not able to pull a portion of the information needed from the software.

**RECOMMENDED ACTION:**

Staff will provide any updates that may have occurred since the writing of this report and will be available to respond to any questions.

## **E. Real Estate Management and Housing Programs (REMHP) (Holly Paterson)**

### **1. REMHP BostonPost (BP) Update:**

- The first of many trainings took place for the first group of folks to be working in BP. We watched an overview webinar and took a look in the system for general information. Our hope is to be able to do a general webinar session like that for every phase but cannot guarantee it as the webinar is hosted and done by BP staff so they set their own schedules. Regardless, each group will get some version of the overview training, even if it is a pre-recorded version and then follow-up of us as a team going through it.
- The first 6 properties (phase 1) have been built in the database and are ready to have resident information entered. Holly and Freddy now have access to our BP database and will be setting users up as we go along. Holly will be working on getting the first properties users setup along with a few other staff members that will be involved with the next step.
- The next step in the process is to enter resident data. The plan is to have the Site Manager, the Portfolio Manager, Freddy and Holly all entering resident data altogether so we can troubleshoot, ask/answer questions, and have extra eyes for any issues that may come up.
  - After resident data is entered, we will then review the information, make any corrections (if necessary), and sign off that each of the properties are ready to move forward.
  - Next on the list is entering opening balances, that cannot happen until the chart of accounts has been created on the MRI side, it is too early in the process to determine a timeframe for this step.
  - Finally, we review the information entered for the final time, make any corrections (if necessary), and sign off that we are indeed ready to start functioning in the system.
- Holly and Freddy have received the property setup sheets from site staff that are in phase 2 and 3. Review of these setup sheets will be started soon and if needed corrections will be made before sending them off to BP.

2. Housing Choice Voucher (HCV) as of May 31, 2018

<b>HCV</b>		
Current Participants	289	
Total Vouchers	374	
Housing Assistance Payment (HAP) Spent	\$184,559.00	
Budget Authority	\$206,350.00	
Participants on notice	3	
Shoppers - Movers	5	
New Admissions in Process	6	
Pulled from Waitlist	0	
HK Public Housing Residents offered HCV	0	
Terminations	0	
Termination Reason	N/A	
<b>Project Based Vouchers</b>		
Occupied Units	56	
Vacant Units	16	
New Admissions Shopping	0	
Terminations	0	
Termination Reason	N/A	
Participants on notice	3	
<b>HCV to Homeownership</b>		
Participants	1	
HAP Spent	\$554.00	
<b>HCV Family Self-Sufficiency</b>		
Participants	11	
Participants with escrow	8	
Graduates	None Recent	

3. Public Housing:

- The Public Housing portfolio held RAD public meetings on May 30th at Golden Tides 1 and May 31st at the Housing Kitsap main office for Fairview, Austerbruin, Coventry and the scattered sites.

4. Viewmont/Heritage:

- Viewmont had their second month sending out a community newsletter that gives information and dates to our residents so that we can work together and coordinate all the different happenings in Viewmont.
- Our Staff spent a lot of time outside of Heritage and Viewmont trimming bushes and trees using old fashioned elbow grease making sure all was safe and ready for the summer with exterior lighting, fire extinguishers, flowers under our sign, to fresh batteries for smoke detectors.
- Viewmont's laundry room was spruced up with a new floor and paint.
- Wave Cable is coming out to Viewmont at the end of the month to put on a small community pizza picnic. Wave cable has just gone around our community replacing and updating our cable boxes.
- Heritage is scheduled to have a Real Estate Assessment Center (REAC) inspection on June 21<sup>st</sup> and June 22<sup>nd</sup>.
- A new community sign was installed at Viewmont.



5. Fjord Manor/Fjord Vista II/Windsong:

- Fjord Vista II had its annual investor funding inspection on May 25<sup>th</sup>; we do not expect any complications. We have not received our letter stating on how we did, however the inspection felt like it went well with Mike Buck.

6. Finch Place/Rhododendron/550 Madison:

- Railing and upper front landing is scheduled to begin Thursday, June 21, 2018 at 550 Madison Apartments.
- The Rhododendron Apartments grounds are looking lovely, the residents are happy and enjoying gardening and socializing with other community members.
- The residents of Finch Place are interested in forming a Tenant Association. A meeting was facilitated by Laura Daley (prior to her May 15<sup>th</sup> departure) discussing possible group structures. No update has been provided if the residents intend to start this association.

7. Golden Tides II/Golden Tides III/Liberty Bay:
  - HK staff is recruiting for a Site Manager due to the departure of the former Site Manager on June 15, 2018.
  - HK staff is recruiting for a Maintenance Technician since the former tech moved to another HK community.
8. Park Place:
  - The new Site Manager had a meet and greet with the residents of the property and they provided feedback on what they hope to see happen around the property. Also, the residents were happy to see reminders about lease rules in the community letter.
  - Kitsap Apartments had its annual investor funding inspection on May 25th. We have not received our letter stating on how we did, however the inspection felt like it went well with Mike Buck.
  - Kitsap Apartments was selected for a random Internal Revenue Service (IRS) Bond inspection, which held on June 5th. We still have not heard how we did and hope to hear soon.
9. Kingston Ridge:
  - Kitsap Apartments had its annual investor funding inspection on May 25th. We have not received our letter stating on how we did, however the inspection felt like it went well with Mike Buck.
  - Kitsap Apartments was selected for a random Internal Revenue Service (IRS) Bond inspection, which held on June 5th. We still have not heard how we did and hope to hear soon.
10. Conifer Woods:
  - HK staff recruited for a Maintenance Technician since the former tech separated from HK on May 14.
  - HK is pleased to report that we hired a new Maintenance Tech who began employment on May 21.
  - Kitsap Apartments had its annual investor funding inspection on May 25th. We have not received our letter stating on how we did, however the inspection felt like it went well with Mike Buck.
  - Kitsap Apartments was selected for a random Internal Revenue Service (IRS) Bond inspection, which held on June 5th. We still have not heard how we did and hope to hear soon.
11. Port Orchard Vista/Madrona Manor:
  - The new Site Manager had a meet and greet with the residents of the property and several residents showed up and asked questions to get to know her a little better. The residents look forward to what she can accomplish.

#### 12. Orchard Bluff Mobile Home Park:

- First half of the fence project has been completed and the finished product looks great.



- The annual Orchard Bluff garage sale was June 8-9. The residents are really trying to get rid of all unnecessary clutter.
- Residents have expressed the desire to put together some work parties to help residents who have difficulty caring for their properties. This is an amazing step for the residents here as it shows they are really starting to look out for each other.
- The Site Manager is continuing monthly luncheon and resident council meetings.
- The property greenbelt on the North side of the property is now for sale.
- The community is excited to have the Kitsap County Health Department installing doggie stations throughout the park within the next couple of months.
- The last Saturday of the month is the day Safeway has set aside for Orchard Bluff to receive the day-old bread pulls for our residents, and it has been very successful.

#### 13. Resident Services

- The free summer lunch & snack program has started at Nollwood thanks to the Bremerton School District.
- The make and take program through the Kitsap Public Health District has just finished their last meal.
- HK plans to continue the partnership in coordination with Love the Neighborhood for healthy summer meals and community activities.